



Asian Granito India Ltd.

Annual Report
2010-2011



An ISO 14001:2004 & 9001:2008
Certified Company



Chairman's Message

Dear Shareowners,

The financial year under review was a relevant time to build our business and graduate to the next level. Our revenues grew more than 26%, Indicating cost pressures (energy, raw materials and interest rates). Rather than merely focus on cost containment, we reinforced the need to enhance value instead, through Increased Revenues from High-end products and particularly products with Digital Printing. Substantial increase in the turnover of outsourced/ traded goods (domestic) in Polished Vitrified Tiles and Wall Tiles, Wider distribution network (increased dealer / sub dealer network and showrooms and Increased revenues from Marble Sector during the F.Y.2010-11.

During the year, the company has made expansion in the existing Marble Plant and has also started manufacturing of Packing Boxes as backward integration project to reduce the packing cost and enhancing quality of packing boxes. Our benchmark in adherence to quality in whatever we do. This important attribute has helped us to reach where we are today. We are successfully doing new age technology digital printing on tiles namely Grestek nxt brand and initiated production of 'Quartz' in composite marble segment.

Today we are having 5 well equipped plant, more than 16 depots, strength of more than 4000 Business Associates & 20 Asian Tiles World-Showrooms till date, it gives us a sense of satisfaction and immense pleasure of achieving the results. This has become possible only because of our trustworthy shareholders, committed employees, dealers, and satisfied customers who have showed faith in our dreams.

Our long-term strategy includes Continuous strengthening of Asian brand, Increased proportion of value-added products in own manufacturing, Organic and inorganic growth by adding manufacturing capabilities. This interplay of strategies is expected to translate into enhanced value for all those who own shares in our Company.

With best wishes

Sincerely,

Kamlesh Patel
Chairman

Our Brands :



GRESTEK

GRESTEK *Nxt*
Digital Wall & Vitrified Collection

power *Grace*
TILE & STONE BONDING SOLUTIONS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Kamleshbhai Patel	<i>Chairman cum Managing Director</i>
Mukeshbhai Patel	<i>Managing Director</i>
Sureshbhai Patel	<i>Director</i>
Bhaveshbhai Patel	<i>Director</i>
Kanubhai Patel	<i>Director</i>
Bhogibhai Patel	<i>Director</i>
Maganlal Prajapati	<i>Director</i>
Maheshchander Julka	<i>Director</i>
Shankarlal Patel	<i>Director</i>
Ajendrakumar Patel	<i>Director</i>
Amrutbhai Patel	<i>Director</i>
Premjibhai Chaudhari	<i>Director</i>

COMPANY SECRETARY

Renuka A. Upadhayay

AUDIT COMMITTEE

Maganlal Prajapati	<i>Chairman</i>
Maheshchander Julka	<i>Member</i>
Kamleshbhai Patel	<i>Member</i>

REMUNERATION COMMITTEE

Maganlal Prajapati	<i>Chairman</i>
Maheshchander Julka	<i>Member</i>
Shankarlal Patel	<i>Member</i>

SHAREHOLDERS' GRIEVANCE COMMITTEE

Maganlal Prajapati	<i>Chairman</i>
Maheshchander Julka	<i>Member</i>
Kamleshbhai Patel	<i>Member</i>

AUDITORS

A.L. Thakkar & Co.
Chartered Accountants
Ahmedabad.

BANKERS

State Bank of India
Commercial Branch,
Ahmedabad.

Bank of Baroda
Navrangpura Branch,
Ahmedabad.

HDFC Bank
Navrangpura Branch,
Ahmedabad.

IDBI Bank
Ellisbridge Branch,
Ahmedabad.

REGISTERED & CORPORATE OFFICE

202, Devarc, Opp. Iskon Temple,
Sarkhej Gandhinagar Highway,
Ahmedabad - 380015.

WORKS

Ceramic Zone, Katwad Road,
At & Po. Dalpur, Taluka Prantij 383 120,
Dist. Sabarkantha.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai- 400 078.

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NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of **ASIAN GRANITO INDIA LIMITED** will be held on 29th day of September, 2011 at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 at 10.30 a.m. to transact the following business:

Ordinary business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Audited Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Maganlal Prajapati, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Maheshchandra Julka, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Mukeshbhai Patel, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution :

"RESOLVED THAT pursuant to the provision of Section 224 and other applicable provisions, if any, of the Companies act, 1956, M/s. A.L. Thakkar & Co., Chartered Accountants, be and are hereby re-appointed as statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the Conclusion of the next Annual General Meeting on such remuneration (including terms of payment) as may be determined by the Board of Directors, based on recommendation of the Audit Committee, in connection with the audit of accounts of the Company for the year ending on March 31, 2012."

SPECIAL BUSINESS :

7. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Amrutbhai Ishwarbhai Patel, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th May, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company liable to retire by rotation."
8. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Premjibhai Ramjibhai Chaudhary, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th May, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company liable to retire by rotation."
9. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Sureshbhai Jivabhai Patel, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th May, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
10. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Bhaveshbhai Vinodbhai Patel, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th May, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
11. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Kanubhai Bhikhabhai Patel, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th May, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
12. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Bhogibhai Bhikhabhai patel, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 11th May, 2011 and who ceases to hold office under Section 260 of the

Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

13. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** to the pursuant to the provisions of section 198, 269, 309, 310, and 311 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force) and subject to the approval of members and such other approvals as may be necessary, the remuneration to **Shri Kamlesh B. Patel**, Chairman-cum Managing Director of the Company be and is hereby increased and shall be paid with effect from 1st June 2011 in as below:

(A) SALARY : Rs.200000– 1000000 subject to overall ceiling of 10% of net profit.

The Chairman cum- Managing Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.

(b) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites."

"**RESOLVED FURTHER THAT** where in any financial year closing on and after April 1, 2011 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration as amended for the time being in force be paid to **Shri Kamleshbhai B Patel**, Chairman-cum Managing Director."

"**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

14. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310, and 311 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force) and subject to the approval of members and such other approvals as may be necessary, to change the designation of **Mukeshbhai J. Patel** from Whole Time Director to Managing Director and to increase the remuneration payable to **Shri Mukeshbhai J. Patel**, Managing Director of the Company with effect from 1st June 2011 on the terms and conditions as stated below :

(A) SALARY : Rs.160000– 737500 subject to overall ceiling of 10% of net profit.

The Managing Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.

(b) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites."

"**RESOLVED FURTHER THAT** where in any financial year closing on and after April 1, 2011 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration as amended for the time being in force be paid to **Shri Mukeshbhai J. Patel**, Managing Director."

"**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or

increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

15. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT to the pursuant to the provisions of section 198, 269, 309, 310, and 311 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force) and subject to such approvals as may be necessary, the remuneration payable to **Shri Bhogibhai B. Patel**, Additional Director of the Company be and is hereby fixed with effect from 1st June 2011 on the terms and conditions as stated below :

(A) SALARY : Rs.100000 – 281250 subject to overall ceiling of 10% of net profit.

The Additional Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.

(b) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites."

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2011 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration as amended for the time being in force be paid to **Shri Bhogibhai B. Patel**, Additional Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

16. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT to the pursuant to the provisions of section 198, 269, 309, 310, 311 and 316 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force) and subject to such approvals as may be necessary, the remuneration payable to **Shri Bhaveshbhai V. Patel**, Additional Director of the Company be and is hereby fixed with effect from 1st June 2011 on the terms and conditions as stated below :

(A) SALARY : Rs.150000– 675000 subjects to overall ceiling of 10% of net profit.

The Additional Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.

(b) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites."

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2011 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration as amended for the time being in force be paid to **Shri Bhaveshbhai V. Patel**, Additional Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or

increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

17. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT to the pursuant to the provisions of section 198, 269, 309, 310, 311 and 316 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force) and subject to such approvals as may be necessary, the remuneration payable to **Shri Sureshbhai J Patel**, Additional Director of the Company be and is hereby Fixed with effect from 1st June 2011 on the terms and conditions as stated below :

(A) SALARY : Rs.160000– 737500 subject to overall ceiling of 10% of net profit.

The Additional Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.

(b) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites."

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2011 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration as amended for the time being in force be paid to **Shri Sureshbhai J Patel**, Additional Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

18. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT to the pursuant to the provisions of section 198, 269, 309, 310, 311 and 316 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force) and subject to such approvals as may be necessary, the remuneration payable to **Shri Kanubhai B. Patel**, Additional Director of the Company be and is hereby Fixed with effect from 1st June 2011 on the terms and conditions as stated below :

(A) SALARY : Rs.125000 – 281250 subject to overall ceiling of 10% of net profit.

The Additional Director shall also be entitled to:

- (i) Free use of the Company's Car with Driver for the Business of the Company.
- (ii) Free telephone at the residence
- (iii) Reimbursement of all actual expenses including entertainment and traveling incurred in course of Company's business.

(b) Company's contribution to Provident fund and the pension fund as per the Company's rules provided the Company's contribution to the provident fund and pension fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per Company's rule and will not be included in the computation of the ceiling on perquisites."

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2011 the Company has no profits or its profits are inadequate, remuneration may, be paid as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration as amended for the time being in force be paid **Shri Kanubhai B. Patel**, Additional Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or

increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting."

19. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and also subject to the approval of members in general meeting, the consent of the Board of Directors of the Company be and is hereby accorded to Shri Jagdishkumar R. Patel a relative of Shri Bhaveshbhai V. Patel a Director of the Company to hold and continue to hold an office or place of profit under the Company as Marketing Manager with effect from 11th May, 2011 on monthly remuneration of Rs. 60,000/- and other benefits as per the rules of the Company provided that the aggregate remuneration payable to Shri Jagdishkumar R. Patel shall not exceed Rs. 2,50,000/- per month."

20. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and also subject to the approval of members in general meeting, the consent of the Board of Directors of the Company be and is hereby accorded to Shri Vipulbhai V. Patel, a relative of Shri Bhaveshkumar V. Patel a Director of the Company to hold and continue to hold an office or place of profit under the Company as Production Manager with effect from 11th May, 2011 on monthly remuneration of Rs. 80,000/- and other benefits as per the rules of the Company provided that the aggregate remuneration payable to Shri Vipulbhai V. Patel shall not exceed Rs. 2,50,000/- per month."

21. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and also subject to the approval of members in general meeting, the consent of the Board of Directors of the Company be and is hereby accorded to Shri Vinodbhai L. Patel, a relative of Shri Bhaveshbhai V. Patel a Director of the Company to hold and continue to hold an office or place of profit under the Company as Brand Coordinator with effect from 11th May, 2011 on monthly remuneration of Rs. 50,000/- and other benefits as per the rules of the Company provided that the aggregate remuneration payable to Shri Vinodbhai L. Patel shall not exceed Rs. 2,50,000/- per month."

22. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and also subject to the approval of members in general meeting, the consent of the Board of Directors of the Company be and is hereby accorded to Shri Sureshbhai B. Patel, a relative of Shri Kanubhai B. Patel. a Director of the Company to hold and continue to hold an office or place of profit under the Company as Production Manager with effect from 11th May, 2011 on monthly remuneration of Rs. 80,000/- and other benefits as per the rules of the Company provided that the aggregate remuneration payable to Shri Sureshbhai B. Patel shall not exceed Rs. 2,50,000/- per month."

23. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and also subject to the approval of members in general meeting, the consent of the Board of Directors of the Company be and is hereby accorded to Shri Rameshbhai B. Patel, a relative of Shri Bhogibhai B. Patel a Director of the Company to hold and continue to hold an office or place of profit under the Company as Manager with effect from 11th May, 2011 on monthly remuneration of Rs. 95,000/- and other benefits as per the rules of the Company provided that the aggregate remuneration payable to Shri Rameshbhai B. Patel shall not exceed Rs. 2,50,000/- per month."

24. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of section 294AA and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the Company hereby accords consent to the appointment of AL Reyami Walls & Floors LLC as the Sole Selling Agent of the Company for the sale and distribution of Company's all the products manufactured or supplied or modified by the Company, its affiliates or licensed manufactures, from time to time in United Arban Emirates and its territory which comprise of the Emirates of Dubai, Al Khaima, Ajman, Umm Al Fujairah for a period of 5 years with effect from date of agreement subject to the approval of the Central Government and approval of shareholders in ensuing Annual General Meeting and as per the draft agreement placed before the meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to agree to such modifications, if any, as the Central Government may require which are acceptable to the Board of Directors and the Sole Selling Agent."

25. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time

being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("**Concerned Authorities**") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("**Approvals**") and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis to the following proposed allottees:

Proposed Allottees of Preferential Shares

Sr. No	Name of the Proposed Allottee	No. of Shares
1	Kamlesh Patel	5,50,000
2	Mukesh Patel	5,50,000

Proposed Allottees of Preferential Warrants

Sr. No	Name of the Proposed Allottee	No. of Warrants
1	Kamlesh Patel	6,00,000
2	Mukesh Patel	6,00,000
3	Punit Sanghvi	4,21,250
4	Vipul Modi	2,10,625
5	Manish Modi	2,10,625

On such terms and conditions and in such manner as the Board may think fit, without offering the same to any other person, whether or not they are members of the Company;

The pricing of the Equity shares to be allotted on preferential basis shall not be lower than the price determined in accordance with SEBI ICDR Regulation 2009 which shall be the higher of the following:

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date;

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum price for the issuance of the Equity Shares and Warrants on a preferential allotment basis and conversion thereof into equity shares of Rs.10/- each is 30 days prior to the passing of resolution i.e. 29th September, 2011. Hence the relevant date is 30th August, 2011

RESOLVED FURTHER THAT the aforesaid Equity Shares and Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of right attached to such Warrants shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI Regulations.

RESOLVED FURTHER THAT the warrants shall be issued by the Company on the following terms and conditions:

- (i) An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Warrants shall be payable at the time of making the application for Warrants, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holder at the time of exercising the option.

- (ii) The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
- (iii) In the event the Warrant Holder does not exercise the option of conversion within 18 months from the date of allotment of Warrants, the Warrants shall lapse and the deposit of 25% as indicated in point (i) above shall be forfeited by the Company.
- (iv) The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum & Articles of Association of the Company and also the Guidelines/Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Equity Shares and Warrants and the resultant equity shares to the holders of the Warrants upon exercise of right to subscribe the shares and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) or officer(s) of the Company to give effect to the resolution"

Registered Office & Corporate Office:

202, Dev Arc, Opp. Iskon Temple,
Sarkhej Gandhinagar Highway,
Ahmedabad 380015
Date : 30.08.2011

By Order of the Board of Directors

Renuka A. Upadhyay
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANISATION.**
2. Members should bring the duly filled attendance slip sent herewith for attending the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2011 to 29th day of September, 2011 (both days inclusive). Members are requested to intimate, indicating their Folio Number, the changes, if any, in their registered address, either to the Company or to the Registrar and Share Transfer Agent, viz, Link Intime India Pvt. Limited, 211, Sudarshan Complex, Near Mithakhali Under bridge, Navrangpura, Ahmedabad – 380 009.
4. The Dividend, as recommended by the Board of Directors of the Company for the year ended March 31, 2011, if declared at the Annual General Meeting, will be payable on or after September 29, 2011, to those Members whose names stand on the Register of Members.
 - (i) as Beneficial Owners as at the end of business hours on September 23, 2011 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of Shares held in dematerialized form.
 - (ii) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before September 23, 2011.