

## MANAGING DIRECTOR'S MESSAGE

Dear Fellow Shareholders,

In our last letter, about an year ago, We had mentioned that the need to attain momentum to speed up over the year to move ahead and swim out of arguably the worst Economic crisis the world has ever seen was a priority for your company. The Economic scene of the past year made this a very challenging time for all of us here at Emmsons. But I am happy to share with you that, with increasing recovery being witnessed in all relevant spheres for the Industry and with the hard work of the entire team at Emmsons, who stand committed to maximise shareholder value, the tide has turned and the company is well on its way to execute and go a long way forward in our vision and ambition.



Anil Monga, Managing Director

The addition of new products to the trading basket for the Indian set-up and setting up of another trading subsidiary in Dubai, Emmsons Gulf DMCC were amongst the highlights of the previous year. The new subsidiary is fully functional now, after beginning its operations in the middle of the year. We draw immense satisfaction from the fact that Emmsons Gulf has been able to perform very well in the first year of operations. This, coupled with bright prospects in agricultural Trading for our Swiss based subsidiary, Emmsons S.A, gives us plenty of reasons to be cautiously optimistic that the future is not only bright, but one that will pave the way for this company going forward.

We would like to be known as a Forward thinking organisation with a firm focus on creating value in the entire value chain for Agriculture and Energy Chain. Today's investment is Tomorrow's Opportunity, and keeping this in mind, the whole focus this year and the years to come would be to not only strengthen the existing Trading Operations, but also expanding in the other Strategic verticals such as Mining, Farming, Agricultural Processing and Storage. In addition, We are striving towards creating a strong, yet nimble organisations structure and the coming year would see the company go all out in hiring the best talent available in the Industry world-wide to supplement its current activities and grow the future Businesses.

We thank all of you for continually supporting the Company and look forward to sharing many more milestones to come, at the same time, strengthening the core of our businesses.

Best Regards

A handwritten signature in black ink, appearing to read 'Anil Monga'.

**(Anil Monga)**  
**Managing Director**

## CONTENTS

1.	Company Information	1
2.	Financial Highlights	2
3.	Notice	3-9
4.	Directors' Report	10-15
5.	Report on Corporate Governance	16-23
6.	Auditors' Certificate on Corporate Governance	24
7.	CEO/CFO Certification	24
8.	Auditors' Report	25-27
9.	Balance Sheet	28
10.	Profit & Loss Account	29
11.	Cash Flow Statement	30
12.	Schedules Forming part of Balance Sheet and Profit and Loss Account.	31-35
13.	Significant Accounting Policies and Notes on Accounts	36-40
14.	Balance Sheet Abstract and Company's General Business Profile	41
15.	Balance Sheet of Group Companies in US\$	42
16.	Profit and Loss Account of Group Companies in US\$	43
17.	Statement pursuant to Section 212 of the Companies Act, 1956	44
18.	Financial information of subsidiaries companies	
	– Emmsons SA	45-48
	– Emmsons Gulf DMCC	49-61
19.	Auditors' Report on Consolidated Financial Statements	62
20.	Consolidated Balance Sheet	63
21.	Consolidated Profit and Loss Account.	64
22.	Consolidated Cash Flow Statement	65
23.	Schedules Forming part of Consolidated Balance Sheet and Profit and Loss Account.	66-70
24.	Significant Accounting Policies and Notes on Consolidated Accounts	71-74
25.	Attendance Slip and Proxy Form	75

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Anil Monga	Managing Director
Rajesh Monga	Whole Time Director
Shivaz Monga	Executive Director
Vijay Kumar Kakkar	Professional and Independent Director
Viresh Shankar Mathur	Professional and Independent Director
Mohammad Tariq Raza	Professional and Independent Director
Satish Chandra Gupta	Professional and Independent Director

### KEY MANAGEMENT PERSONNEL

B.B. Gandhi	President (Commercial)
Varinder Machhral	Vice President (Trading)
Rakesh Kumar Singh	Business Head (Trading)
Hamant Paul	G.M.( Finance )
Shiraz Rehman	D.G.M. ( Trading)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Suvindra Kumar	Company Secretary
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### BANKERS

#### ORIENTAL BANK OF COMMERCE

Overseas Branch, M-33, Greater Kailash-II, New Delhi-110048

#### INDIAN OVERSEAS BANK

A-19/22, Moolchand Shopping Complex, Defence Colony, New Delhi-110024

#### STANDARD CHARTERED BANK

7A, DLF Building, DLF Cyber City, Sector 24, 25 & 25A, Gurgaon, Haryana - 122 022

#### ALLAHABAD BANK

International Branch, 3rd Floor, 17, Parliament Street, New Delhi - 110001

### AUDITORS

#### SURESH & ASSOCIATES

3A Bigjo's Tower, Netaji Subhash Place, Pitampura, Delhi-110034

### OFFICES

#### REGISTERED OFFICE

2637, First Floor, Naya Bazar, Delhi-110006

#### ADMN. OFFICE

101, South Delhi House, 12, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048

### FOREIGN OFFICES

#### SWITZERLAND SUBSIDIARY

EMMSONS S.A.  
Place du Marche 3, CP 156, 1860 Aigle, Switzerland

#### DUBAI SUBSIDIARY

EMMSONS GULF DMCC  
3406, 1- Lake Plaza Plot No. T2, Jumeirah Lakes Towers, Dubai, U.A.E.

### SHARE REGISTRAR

#### LINK INTIME INDIA PVT LTD

A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028

## FINANCIAL HIGHLIGHTS

		(Rs. in lacs)			
PARTICULARS	2009-10	2008-09	2007-08	2006-07	2005-06
1 Gross Turnover/Income	69322.86	65530.05	58422.06	37565.57	14605.00
2 Earnings Before Depreciation, Interest and Tax (EBDIT)	4147.22	2410.87	2534.60	1453.03	691.38
3 Depreciation	49.97	46.18	33.46	26.36	21.14
4 Profit before Tax	2013.15	1062.55	1517.98	724.27	319.29
5 Profit After Tax	1297.23	638.68	1008.09	638.88	303.16
6 Equity Dividend %	20.00	10.00	20.00	15.00	—
7 Dividend Payout	102.96	51.48	102.96	65.38	—
8 Equity Share Capital	514.80	514.80	514.80	435.89	435.89
9 Equity Share Warrants Allotment / Application Money	0.00	195.00	197.50	—	—
10 Reserve and Surplus	6229.04	4852.70	4440.93	1561.64	999.25
11 Net Worth	6743.85	5562.50	5153.24	1997.53	1435.14
12 Gross Fixed Assets	1085.52	882.68	511.02	411.70	312.99
13 Net Fixed Assets	863.37	703.34	591.27	347.68	223.23
14 Total Assets	38218.94	30374.21	15934.62	18260.17	7397.70
15 Total Liabilities	31475.09	24811.70	10781.39	16262.64	5962.55
16 Market Capitalisation	4728.46	2059.21	7904.78	2231.77	1237.93

## KEY INDICATORS

PARTICULARS	2009-10	2008-09	2007-08	2006-07	2005-06
1 Earning Per Share (Basic) - Rs.	25.20	12.41	23.12	14.66	6.81
2 Turnover Per Share - Rs.	1346.59	1272.92	1134.85	861.81	335.06
3 Book Value Per Share - Rs.	131.00	104.26	96.26	45.83	32.92
4 Debt : Equity Ratio	2.47:1	2.45:1	1.47 :1	3.56 :1	3.43 : 1
5 EBDIT / Gross Turnover - %	5.98	3.68	4.34	3.87	4.73
6 Net Profit Margin - %	1.87	0.97	1.73	1.70	2.08

## NOTICE

NOTICE is hereby given that 17th Annual General Meeting of M/s Emmsons International Limited will be held on Wednesday, the 29th Day of September, 2010 at 11.00 A.M. at Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi -110057, to transact the following businesses :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with Report of Board of Directors and Auditor's Report thereon.
2. To Declare a Dividend on Equity Shares for the financial year 2009-10.
3. To appoint a Director in place of Mr. Rajesh Monga, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shivaz Monga, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s Suresh & Associates, Chartered Accountants, as Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

6. **To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :**

**"RESOLVED THAT** pursuant to the Provision of Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the members of the Company at their ensuing General Meeting. Mr. Anil Monga be and is hereby re-appointed as the Managing Director of the Company for a further period of five years w.e.f. 1st September, 2010 at a remuneration and perquisite as detailed below :

#### A. SALARY:

Rs.3,12,500- (Rupees Three lacs twelve thousand five hundred Only) per month in the grade Rs. 3,12,500-42,500- 3,55,000 - 45,000 - 4,00,000-50,000-5,00,000-75,000-Rs. 8,00,000.

#### B. COMMISSION:

Such percentage of net profits as may be decided by the Board of Directors in each Financial Year.

#### C. PERQUISITES:

In addition to Salary and Commission, he will be entitled to Perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement, leave travel concession, club fees including membership fee of two clubs, personal accident insurance etc. in accordance with the rules of the Company, such perquisites being restricted to Rs. 10,00,000/- (Rupees Ten Lacs Only) per annum.

- i) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable, otherwise, at actual. Provisions for use of Company car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of Perquisites for the purpose of calculating the said ceiling.
- ii) Company's contribution to Provident Fund and Superannuation Fund not exceeding twenty five percent of the remuneration shall not be included in the computation of limits for Perquisites aforesaid.
- iii) The total remuneration payable to him including Commission, value of Perquisites and Company's contribution towards Provident Fund and Superannuation Fund shall not exceed the limit set out in Section 309, 198 and Schedule XIII of the Companies Act, 1956.

#### D. OTHER TERMS:

- i) The total remuneration including commission perquisites and company's contribution towards provident fund and superannuation fund payable to him shall not exceed five percent where there is only one Managing Director and ten percent where there are more than one Managing Director, of the profits calculated in accordance with section 198 and 309 of the Companies Act, 1956.



- ii) The Managing Director shall be entitled to reimbursement of all actual expenses, including on entertainment and traveling, incurred in the course of the company's business.
- iii) The Managing Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities such as hospitalization etc. as are granted to the senior executives of the company, in accordance with the company's practice, rules and regulations in force from time to time.
- iv) The company or the Managing Director shall be entitled at any time to terminate this appointment by giving three months written notice or by any shorter notice as may be mutually agreed to, by both the parties.
- v) In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid, subject to the compliance of schedule XIII of the Companies Act, 1956 in this regard, remuneration by way of salary and perquisites as specified above.
- vi) The Managing Director, so long as he functions as Managing Director, shall not be paid any sitting fee for attending meeting of the Board of Directors or Committees thereof."

**"RESOLVED FURTHER THAT** the consent of the Board be and is hereby accorded that the above remuneration of Mr. Anil Monga, with all terms and conditions, shall be effective from 01.04.2010."

**"RESOLVED FURTHER THAT** the Managing Director will be authorized to exercise such powers of management, as may be delegated to him by the company from time to time, subject however, to the overall superintendence, control and supervision of the Board of Directors of the company."

**"RESOLVED FURTHER THAT** in the event (s) of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or 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, etc. within such prescribed limits."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution."

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

**"RESOLVED THAT** in accordance with the provisions of 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any amendments or re-enactments thereof) and subject to enabling provisions of the Memorandum and Articles of Association of the company, the listing agreements entered into by the Company with the Stock Exchanges where the company's shares are listed, and in accordance with the applicable guidelines for Preferential issue SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009, issued by The Securities and Exchange Board of India ("SEBI"), and any other relevant statutory/regulatory authorities and clarification thereon issued from time to time, if any, and subject to all such approvals, permissions, and sanctions of any authorities as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, and sanctions and which may be agreed to by the Board of Directors of the company (hereinafter referred to as the 'Board' which term shall include committee thereof), the consent of the company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches, to the persons and their nominees other than the persons belonging to the category of promoters' as determined by the Managing Director or Whole Time Directors of the Company upon such terms and conditions as may be deemed appropriate by them, upto 10,00,000 (Ten Lacs only) equity warrants convertible into equity shares, equity shares or both, on preferential basis of the face value of the Rs. 10/- each. The exercise price of equity share shall be as determined according to Regulation 76 of chapter VII of SEBI (ICDR) Regulations, 2009. Such shares shall ranking pari passu in all respects, including as to dividend, with the existing equity shares of the Company. The "relevant date" for this purpose being 30th August, 2010, and on such further terms and conditions, as may be finalized by the Board of Directors in accordance with guidelines/ rules applicable to Preferential allotment of equity warrants convertible into equity shares and equity shares or both, by Govt. of India, Securities and Exchange Board of India (SEBI) or any other authority(ies), as the case may be, and/or any modification thereof and subject to the following terms and conditions:

**1. IN CASE OF ALLOTMENT OF EQUITY WARRANTS CONVERTIBLE INTO EQUITY SHARES :**

- a. A sum of 25% of the price of the equity warrants convertible into equity shares, determine in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 shall be payable by the Allotees at the time of allotment of the Equity Warrants.

If the Allotees do not exercise the Equity Warrants during the conversion period, the price so paid shall be forfeited by the Company. In case the Allotees exercise the Equity Warrants, the price so paid shall be adjusted against the share application monies payable by the Allotees and only the balance 75% shall be payable by them.

- b. The Equity Warrants shall be allotted within a period of 15 (Fifteen) days of the passing of the resolution at the general meeting held to consider and approve the issue of Equity Warrants, provided that where the allotment in one or more lots on preferential basis is pending on account of pendency of any of the approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 (Fifteen) days from the date of such approval.
- c. The Equity Warrants shall be exercisable at the option of the holder, in such number of options exercised by the holder, in one or more lots at the option of the holder of such Equity Warrants at any time within the exercise period. The exercise period shall not exceed 18 months from the date of allotment of such warrants.
- d. The terms relating to such Equity Warrants including the exercise period and relating to the Equity Shares being allotted on their exercise may be decided in accordance with SEBI Guidelines and other provisions of law as may be applicable to the transaction, by the Board of Directors.
- e. The Equity Shares so allotted on exercise and conversion of the Equity Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing Equity Shares of the Company.
- f. The Equity Warrants and the Equity Shares allotted on the conversion of such Equity Warrants shall be locked in the manner specified, during the lock-in period so specified, in the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 except to the extent and in the manner permitted there under.
- g. The said Equity Warrants and the Equity Shares allotted on conversion of such Equity Warrants shall be subject to such further terms and conditions, if any, as may be agreed to by and between, the Board of Directors, and the Regulatory Authorities, and Subscriber(s) of Equity Warrants.

## **2. IN CASE OF ALLOTMENT OF EQUITY SHARES :**

- a. Full consideration of equity shares issued in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 shall be payable by the Allotees at the time of allotment of the such Equity Shares.
- b. The Equity Shares shall be allotted within a period of 15 (Fifteen) days of the passing of the resolution at the general meeting held to consider and approve the issue of Equity shares, provided that where the allotment in one or more lots on preferential basis is pending on account of pendency of any of the approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 (Fifteen) days from the date of such approval.
- c. The Equity Shares so allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing Equity Shares of the Company.
- d. The Equity Shares allotted shall be locked in the manner specified, during the lock-in period so specified, in the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 except to the extent and in the manner permitted there under.
- e. The said Equity Shares allotted shall be subject to such further terms and conditions, if any, as may be agreed to by and between, the Board of Directors, and the Regulatory Authorities, and Subscriber(s) of Equity Shares.”

### **“RESOLVED FURTHER THAT:**

- 1. the relevant date for the purpose of calculating the minimum price for issue of the equity warrants convertible into equity shares, equity shares or both in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 be fixed as 30th Day of August, 2010, being the 30th day prior to 29th Day of September, 2010, the day of Annual General Meeting, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue.

In view of the above, the price of per equity warrants convertible into equity shares or equity share or both proposed to be issued on preferential basis shall be the price as determined in accordance to the Regulation 76 of chapter VII of SEBI (ICDR), Regulations, 2009.

2. the offer, issue and allotment of the aforesaid securities shall be made at such time or times as the Board may in its absolute discretion decide, subject however to the compliance with applicable guidelines, notifications, rules and regulations.
3. the issue of equity warrants convertible into equity shares under the Preferential issue, shall have the option of conversion into equity shares within a period of 18 Months (Eighteen Months) from the date of its allotment and the allotment of equity shares, upon conversion of equity warrants shall be locked-in for a period of one year.

In case of issue of equity shares under the Preferential issue, shall be locked in for period of one year from the date of its allotment.

4. any of the securities issued above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other person/ entity/ investor within the same category/class, on the same terms and conditions.
5. the Board be and is hereby authorized to accept any modification(s)/amendment to or to modify the terms of issue of the said Preferential issue subject to the provisions of the Companies Act, 1956 and SEBI Guidelines/Regulations, without being required to seek any further consent or approval of the Company in general meeting.
6. the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.
7. for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for making the said Preferential issue and to settle any question, difficulty or doubt that may arise in this regard including the power to allot over-subscribed/ under-subscribed portion if any, in such manner and to such person(s) as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company.
8. the Board be and is hereby authorized to accept such amendments, modifications, variations and alterations as the Government of India, SEBI, Reserve Bank of India, Financial Institutions, or Stock Exchanges may stipulate in that behalf.
9. the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares so allotted and issued, on one or more recognized Stock Exchanges, in India or abroad, where the Company's shares are listed, as per the terms and conditions of the Listing Agreement with the Stock Exchanges concerned, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing."

For and on behalf of the Board

Dated : 17.08.2010  
Place : New Delhi

Sd/-  
**(ANIL MONGA)**  
Managing Director



#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. (Blank proxy form is enclosed).
2. Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from Tuesday, the 21st Day of September 2010, to Wednesday, the 29th Day of September 2010 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend if approved/declared.
4. The Dividend on equity shares, if declared at the meeting, will be payable to those share holder, whose names appear on the Companies Register of Members at the close of business hours on Monday 20th Day of September, 2010. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories as at the close of business hours on Monday 20th Day of September, 2010.
5. Members are requested to notify immediately the changes in their address, if any.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company / Share registrar, enclosing their share certificates, to enable the Company to consolidate their holding in one folio.
7. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.
8. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at Annual General Meeting is annexed herewith.
9. **Members / Proxies are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature registered with the company for admission to the meeting hall.**

#### EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2) OF THE COMPANIES ACT, 1956

##### Item No. 6

Mr. Anil Monga was appointed as Managing Director of the Company for a period of five years w.e.f. 1st September, 2005 by the members of the Company at 12th Annual General Meeting held on 29th September, 2005.

The said terms of appointment of Mr. Anil Monga expired on 31st August, 2010. Considering his successful result oriented track record and his experience in the field and his active involvement in the affairs of the Company, the Remuneration Committee at their meeting held on 26th April, 2010 approved the re-appointment and recommended the same to the Board of Directors. The Board of Directors of the Company at their meeting held on 26th April, 2010 confirmed the re-appointment of Mr. Anil Monga as Managing Director. Board has decided to re-appoint him as a Managing Director for a further period of 5 years with effect from 1st September, 2010 subject to the approval of the members of the Company.

Pursuant to the provisions of Section 269 read with schedule XIII of the Companies Act, 1956, approval of the members is required for the appointment/ re-appointment of the Managing Director of the Company. Accordingly, Your Director recommends the passing of resolution no.6 of this notice as an Ordinary Resolution.

Mr. Anil Monga is a graduate and is associated with the company since its incorporation. He has to his credit vast rich and varied experience in the field of procurement and International trading of Agri Commodities. Due to the effort of Mr. Anil Monga, the Company made good reputation in the national and international market.

The detailed terms and conditions stated in the resolution no.6 and in this explanatory notes may be considered as an abstract of terms and conditions of this re-appointment.

Mr. Anil Monga, Mr. Rajesh Monga and Mr. Shivaz Monga may deem to be interested in this Resolution.

##### Item No. 7

In terms of the provisions of Section 81(1A) of the Companies Act, 1956 read with the Guidelines for Preferential Issue of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009, the Company may with the

consent of the shareholders of the Company accorded by way of Special Resolution in a general meeting may issue/ sell/ allot upto 10,00,000 (Ten Lacs only) equity warrants convertible into equity shares, equity shares or both of Rs.10/- each to the person other than the persons belonging to the Category of promoters' Group, and/or their nominees (the allottees), whether or not they are members of the Company.

The present resolution is proposed to be passed in order to enable the Board of Directors of the company to receipt of requisite corporate and regulatory approvals, and fulfilment of conditions precedent mentioned therein.

The Requisite Disclosures under SEBI (ICDR), Regulations, 2009 are as under:

**OBJECTS OF THE ISSUE THROUGH PREFERENTIAL OFFER:**

- a. To infuse further equity capital.
- b. To raise funds for various corporate actions viz., Capital Expenditure, augmenting working capital, and general corporate purposes.

**PRICING OF THE PREFERENTIAL ISSUE:**

The pricing of the equity warrants convertible into equity shares, equity shares or both to be allotted on preferential basis shall not be lower than the price as determined in accordance with the Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 provided that the issue of securities on a preferential basis can be made at a price not less than the higher of the following :

- a. The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the relevant date, or
- b. The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the two weeks preceding the relevant date.

The relevant date for the purpose of calculating the minimum price for equity warrants convertible into equity shares, equity shares or both under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 is 30th August, 2010 (i.e. 30 days prior to the date on which the meeting of general body of shareholders is held in terms of Section 81(1A) of the Companies Act, 1956, to consider this proposed issue).

The proposed price of above mentioned securities to be issued on preferential basis, shall be determined in accordance of the SEBI (ICDR), Regulations, 2009, as decided by the Board of Directors of the Company in their meeting held on 17th August, 2010.

The Board proposes to issue equity warrants convertible into equity shares or equity shares or both on preferential basis for cash consideration, in terms of SEBI Guidelines as in force on the date of this notice and conditions including as to premium, etc., as the Board may, in its absolute discretion, deem fit and in accordance with the Articles of Association of the Company. The securities proposed to be issued to the proposed allottees would be issued at a price determined as per Regulation 76 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009.

The preferential issue and allotment of equity warrants convertible into equity shares, equity shares or both are proposed to be made at a price as determined in accordance to the Regulation 76 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009, and as certified by the Company's Auditors. The proposed preferential allotment to the category belonging to the persons other than promoters' Group and/or their nominees as aforesaid would not result in any change in the control over the Company.

The certificate from the Statutory Auditors, certifying that the issue of above mentioned securities on preferential basis is in accordance with the SEBI Guidelines as in force on the date of this Notice, will be placed before the Annual General Meeting where this resolution pertaining to preferential allotment of securities is being considered.

**INTENTION OF THE PERSON OTHER THAN PROMOTERS/DIRECTORS/KEY PERSONNEL TO SUBSCRIBE TO THIS OFFER :**

The Company proposes to issue the equity warrants convertible into equity shares, equity shares or both on preferential basis to the persons belonging to the Category other than promoters' Group, and/or their nominees (the allottees), whether or not they are members of the Company. As such they intend to subscribe to the offer.

**CONSEQUENTIAL CHANGES IN THE VOTING RIGHTS :**

There will be no change in the Board of Directors and management of the company as a consequence to the preferential issue of the above mentioned securities. The equity shares shall have the same voting right as available to the existing shareholders. Voting rights will change only in tandem with the post issue shareholding pattern.