



Glory Polyfilms Limited

**14th Annual Report
2010-11**



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prakash N. Kela
Mr. Yogesh P. Kela
Mr. Umesh P. Kela
Mr. Deviprasad Taparia
Mr. Navin C. Choksi
Mr. Vilas R. Shah
Mr. Sanjeev A. Jain (Resigned w.e.f. 13.08.2011)

Chairman
Managing Director
Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

COMPANY SECRETARY

Ranjeetkumar Sharma

BANKERS

State Bank of India
Indian Overseas Bank
Central Bank of India
Kotak Mahindra Bank
Dena Bank

AUDITORS

M/s. Mittal & Associates
Chartered Accountants, Mumbai

INTERNAL AUDITORS

M/s. ADV & Associates
Chartered Accountants, Mumbai

REGISTERED OFFICE

201 Vintage Pearl, A Wing, 29th Road
Bandra (W), Mumbai - 400 050
Tel: +91-22-2651 4811, Fax: +91-22-2651 4812
E-mail: investor@glorypolyfilms.com
Website: www.glorypolyfilms.com

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.
E/2, Ansa Industrial Estate
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072
Tel: +91-22-2847 0652, Fax: +91-22-2847 5207

WORKS

51/4-A, 51/4-B, 51/4-C, 51/4-D, 54/1-A, 54/1-C,
54/2-A, 54/2-E, 54/2-F, 54/2-H, 54/3-D & 54/6-A
Daman Industrial Estate, Village Kadiya, Daman (U.T).
Tel: +91-260-222 0304 Fax: +91-260-222 0305

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NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of Glory Polyfilms Limited will be held on Thursday, the 29th September, 2011 at the Scarlet Hall, Hotel Shubhangan, 21st Road, Khar Danda, Khar (W), Mumbai - 400 052 at 12.30 P.M. to transact the following business:

As Ordinary Business:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. Deviprasad Taparia, who retires by rotation and being eligible, offers him-self for re-appointment.
- 3) To appoint a Director in the place of Mr. Yogesh P. Kela, who retires by rotation and being eligible, offers him-self for re-appointment.
- 4) To appoint Statutory 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, as an Ordinary Resolution thereof:

“RESOLVED THAT M/s. Mittal & Associates, Chartered Accountants (Firm Regn. No.: 106456W), Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors of the Company.”

As Special Business:

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

Preferential Issue of Optionally Fully Convertible Warrants to the Promoters of the Company:

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Article of Associations of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any other rules, regulations, guidelines, notifications, circulars issued by the Securities and Exchange Board of India (“SEBI”), and subject to the approval of the Hon’ble Company Law Board and in accordance with rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (“GOI”), the Reserve Bank of India (“RBI”) or any other relevant authority from time to time and in terms of the provisions of and the conditions, as prescribed under the Listing Agreements entered into by the Company with the Stock Exchanges on which the Company’s shares are listed and subject to such approvals, consents, permissions and sanctions as may be prescribed by and of them while granting any such approval, consent, permission, and sanctions (hereinafter referred to as “Requisite Approval”), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) Which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter or exercise its powers including the powers conferred by this resolution), the consent of the shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, by way of preferential allotment up to an aggregate of 35,31,852 (Thirty-Five Lac Thirty-one Thousand Eight Hundred Fifty Two) Optionally Fully Convertible Warrants (hereinafter referred as “Warrants”) to one or more of the following persons viz. 1) Mr. Prakash N. Kela 2) Mr. Umesh P. Kela and 3) Mrs. Abhilasha Y. Kela, (All individual are promoters and promoters’ group of the Company), in one or more tranches, with an option to the holder of each such warrant to apply for and be allotted one fully paid up Equity Share of the face value of ₹ 10/- each, at any time not exceeding 18 months from the date of allotment of the warrants in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other relevant authorities as may be applicable, to such extent on such terms and conditions as the Board may in its absolute discretion think fit, at a price (“Issue Price”) to be determined in accordance with the Regulation 76 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended upto date, considering 30th August, 2011 as the Relevant Date for this purpose.

FURTHER RESOLVED THAT pursuant to Section 79 and other applicable provisions, if any, of the Companies Act, 1956, necessary application be made to the Hon’ble Company Law Board or such other authorities, for obtaining their approval to issue the above-mentioned Warrants and the resulting Equity Shares at such a price, as may be approved by them and acceptable to the above-mentioned Promoters and promoters’ group of the Company,

FURTHER RESOLVED THAT the issue of warrants shall be subject to the following terms and conditions:

1. The warrants shall be convertible (at the sole option of the warrant holders) at any time within a period of 18 months from the date of allotment of warrants;



2. Each warrant shall be convertible into one equity share of ₹ 10/- each;
3. The warrant holder(s) shall, on or before the date of allotment of the warrants, pay an amount equivalent of 25% of the warrant offer price determined in accordance with the SEBI (ICDR) Regulations, 2009, or such other price as may be approved by the Hon'ble Company Law Board or such other statutory authorities;
4. The warrant holder(s) shall, on the date of allotment conversion into equity shares, pay the balance 75% of the consideration towards the subscription to each equity share;
5. The amount referred to in (3) above shall be forfeited, if the option to acquire shares is not exercised.
6. The relevant date for the purpose of the pricing of issue of resultant shares in accordance with the SEBI (ICDR) Regulations, 2009, be fixed as 30th August, 2011.

FURTHER RESOLVED THAT the Board be and is hereby authorized to decide and approve, in the best interest of the Company, the other terms and conditions of the issue of convertible warrants/resultant equity shares and to vary, modify or alter any of the terms and conditions including the size of the issue, if required, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.

FURTHER RESOLVED THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon the conversion of warrants and that the said equity shares shall be subject to the Memorandum and Article of Association of the company and shall rank pari-passu with the existing Equity shares of the Company from the date of conversion of the warrants into equity shares / coming into existence.

FURTHER RESOLVED THAT the Board / committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the company for the issue of warrants / securities as aforesaid.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution to any director or directors or to any committee of director(s) or any other officer or officers of the company and to do all such acts, matters, things and deeds and to take all such steps and to do all such things and give all such directions as the board may consider necessary, expedient or desirable and also to settle any questions or difficulties or doubts that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as the board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard."

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

RE-APPOINTMENT OF MR. PRAKASH N. KELA AS THE EXECUTIVE CHAIRMAN:

"RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or modification thereof) the members of the Company hereby accords its approval for the re-appointment of Mr. Prakash N. Kela as the Executive Chairman of the Company with effect from January 01, 2011 for a period of three years on the following terms and conditions:

Basic salary: ₹130,000/- per month (from January 01, 2011 till March 31, 2011), with an annual increment not exceeding 30%.

Fixed Dearness allowance: 30% of the salary amount.

Incentive Bonus/Commission: The appointee will be paid such amount by way of incentive bonus and/or commission in addition to the salary and perquisite payable calculated with reference to the net profit of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the overall ceilings stipulated under section 198, 309 of the Act and/or Schedule XIII as may be applicable from time to time.

Perquisites

Category "A"

- a) **Medical Reimbursement:** 8.33% of the basic salary per month towards medical expenses for self and family.
- b) **Leave Travel Allowance:** the yearly payment in the form of allowance shall be equivalent to one month's basic salary.
- c) The Company shall provide Group Insurance Scheme, in accordance with the Rules and Regulation of the Company.

Explanation: Family means the spouse, dependent children and parents of the appointee.

Category “B”

The following will not be considered as perquisites:

- a) Contributions by the Company to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- b) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.
- c) Encashment of Leave as per the Company's rules at the end of tenure.
- d) Provisions of car with driver for use on the Company's business and telephone and other communication facility at residence. However, personal, long distance calls and use of car for private purpose shall be billed by the Company.

Other terms and Conditions:

- a) **Minimum Remuneration:** In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the appointee shall be paid the above remuneration and perks as the Minimum Remuneration subject, however to the overall limits as per provisions contained in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, as may, for the time being, be in force.
- b) The office of Mr. Prakash N. Kela shall not be liable to determination by retirement of directors by rotation.
- c) **Leave:** in accordance with the Rules and Regulation of the Company.
- d) **Sitting fee:** Mr. Prakash N. Kela shall not be entitled to sitting fee for attending meetings of the Board of Directors or Committees thereof.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (on the recommendations of Remuneration Committee) be and are hereby authorised to revise, amend, alter and vary the terms and conditions relating to remuneration payable to the Executive Chairman a monthly remuneration payable within a maximum of ₹ 3,50,000/-, in such manner as may be permissible in accordance with the provisions of the Companies Act, 1956 and schedule XIII and any modification thereto and as may be agreed to by and between the Board of Directors and appointee.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take all actions and steps expedient or desirable to give effect to this resolution.”

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

RE-APPOINTMENT OF MR. YOGESH P. KELA AS THE MANAGING DIRECTOR:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or modification thereof) the members of the Company hereby accords its approval for the re-appointment of Mr. Yogesh P. Kela as the Managing Director of the Company with effect from January 01, 2011 for a period of three years on the following terms and conditions:

Basic salary: ₹ 180,000/- per month (from January 01, 2011 till March 31, 2011), with an annual increment not exceeding 30%.

Fixed Dearness Allowance: 30% of the salary amount.

Incentive Bonus/Commission: The appointee will be paid such amount by way of incentive bonus and/or commission in addition to the salary and perquisite payable calculated with reference to the net profit of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the overall ceilings stipulated under section 198, 309 of the Act and/or Schedule XIII as may be applicable from time to time.

Perquisites

Category “A”

- a) **Medical Reimbursement:** 8.33% of the basic salary per month towards medical expenses for self and family.
- b) **Leave Travel Allowance:** the yearly payment in the form of allowance shall be equivalent to one month's basic salary.
- c) The Company shall provide Group Insurance Scheme, in accordance with the Rules and Regulation of the Company.

Explanation: Family means the spouse, dependent children and parents of the appointee.

Category “B”

The following will not be considered as perquisites:

- a) Contributions by the Company to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.



- b) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.
- c) Encashment of Leave as per the Company's rules at the end of tenure.
- d) Provisions of car with driver for use on the Company's business and telephone and other communication facility at residence. However, personal, long distance calls and use of car for private purpose shall be billed by the Company.

Other terms and Conditions:

- a) **Minimum Remuneration:** In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the appointee shall be paid the above remuneration and perks as the Minimum Remuneration subject, however to the overall limits as per provisions contained in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, as may, for the time being, be in force.
- b) The office of Mr. Yogesh P. Kela shall not be liable to determination by retirement of directors by rotation, unless otherwise required.
- c) **Leave:** in accordance with the Rules and Regulation of the Company.
- d) **Sitting fee:** Mr. Yogesh P. Kela shall not be entitled to sitting fee for attending meetings of the Board of Directors or Committees thereof.

“RESOLVED FURTHER THAT as Managing Director of the Company, Mr. Yogesh P. Kela shall, subject to the supervision, control and directions of the Board of Directors of the Company, continue to exercise substantial powers of management and shall manage the business and affairs of the Company.

“RESOLVED FURTHER THAT the Board of Directors of the Company (on the recommendations of Remuneration Committee) be and are hereby authorised to revise, amend, alter and vary the terms and conditions relating to remuneration payable to Managing Director a monthly remuneration payable within a maximum of ₹ 4,00,000/-, in such manner as may be permissible in accordance with the provisions of the Companies Act, 1956 and schedule XIII and any modification thereto and as may be agreed to by and between the Board of Directors and appointee.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all actions and steps expedient or desirable to give effect to this resolution.”

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

RE-APPOINTMENT OF MR. UMESH P. KELA AS AN EXECUTIVE DIRECTOR:

“RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or modification thereof) the members of the Company hereby accords its approval for the re-appointment of Mr. Umesh P. Kela as an Executive Director of the Company with effect from January 01, 2011 for a period of three years on the following terms and conditions:

Basic salary: ₹ 150,000/- per month (from January 01, 2011 till March 31, 2011), with an annual increment not exceeding 30%.

Fixed Dearness allowance: 30% of the salary amount.

Incentive Bonus/Commission: The appointee will be paid such amount by way of incentive bonus and/or commission in addition to the salary and perquisite payable calculated with reference to the net profit of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of the financial year, subject to the overall ceilings stipulated under section 198, 309 of the Act and/or Schedule XIII as may be applicable from time to time.

Perquisite

Category “A”

- a) **Medical Reimbursement:** 8.33% of the basic salary per month towards medical expenses for self and family.
- b) **Leave Travel Allowance:** the yearly payment in the form of allowance shall be equivalent to one month's basic salary.
- c) The Company shall provide Group Insurance Scheme, in accordance with the Rules and Regulation of the Company.

Explanation: Family means the spouse, dependent children and parents of the appointee.

Category “B”

The following will not be considered as perquisites:

- a) Contributions by the Company to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

- b) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.
- c) Encashment of Leave as per the Company's rules at the end of tenure.
- d) Provisions of car with driver for use on the Company's business and telephone and other communication facility at residence. However, personal, long distance calls and use of car for private purpose shall be billed by the Company.

Other terms and Conditions:

- a) **Minimum Remuneration:** In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the appointee shall be paid the above remuneration and perks as the Minimum Remuneration subject, however to the overall limits as per provisions contained in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, as may, for the time being, be in force.
- b) The office of Mr. Umesh P. Kela shall not be liable to determination by retirement of directors by rotation, unless otherwise required.
- c) **Leave:** in accordance with the Rules and Regulation of the Company.
- d) **Sitting fee:** Mr. Umesh P. Kela shall not be entitled to sitting fee for attending meetings of the Board of Directors or Committees thereof.

“RESOLVED FURTHER THAT the Board of Directors of the Company (on the recommendations of Remuneration Committee) be and are hereby authorised to revise, amend, alter and vary the terms and conditions relating to remuneration payable to Executive Director a monthly remuneration payable within a maximum of ₹ 3,75,000/-, in such manner as may be permissible in accordance with the provisions of the Companies Act, 1956 and schedule XIII and any modification thereto and as may be agreed to by and between the Board of Directors and appointee.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all actions and steps expedient or desirable to give effect to this resolution.”

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

ALTERATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article No. 115 and 157 of the Articles of Association of the Company be and are hereby altered and substituted by the following Articles and shall read as follows:

115. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than twelve.

The present Directors of the Company are:

1. Mr. Prakash N. Kela
2. Mr. Yogesh P. Kela
3. Mr. Umesh P. Kela
4. Mr. Deviprasad Taparia
5. Mr. Navin C. Chokshi
6. Mr. Vilas R. Shah

157. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by any one Director or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 21(a).”

“RESOLVED FURTHER THAT any Director of the Company for the time being be and is hereby authorised to do all necessary acts and deeds for giving effect to the aforesaid resolution.”

For and on behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2011

Prakash N. Kela
Chairman



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. The Explanatory Statement pursuant Section 173 (2) of the Companies Act, 1956 is attached and forms part of this notice.
5. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
6. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the "Annexure A" to the Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote
8. The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
9. The Register of Members and Share Transfer Books will remain closed from September 24, 2011 to September 29, 2011 (both days inclusive).
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072, India, for consolidation into a single folio.
11. With respect to shares lying in the suspense Account in terms of Clause 5A(l) of the Listing Agreement, the following are the details :

Sr. No.	Description	No. of Shareholders	No. of Equity Shares.
1	Aggregate No. of Shareholders & Shares pending as on 01.04.2010.	01	1000
2	No. of Shareholders who approached for transfer of shares from suspense account during the year.	Nil	Nil
3	No. of Shareholders and Shares transferred from suspense account during the year.	Nil	Nil
4	No. of Shareholders and Shares outstanding at the end of year. (31.03.2011)	01	1000

12. **Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting.**
13. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least 10 days before the meeting to enable the Company to provide the required information.
14. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
15. **GLORY** is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with the relevant depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

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

Item No. 5

To augment long-term resources and for general corporate purposes, working capital requirements of the Company, as may be decided by the Board, the Company proposes to raise funds by way of issue of upto 35,31,852 (Thirty-Five Lac Thirty-one Thousand Eight Hundred Fifty Two) Optionally Fully Convertible Warrants (hereinafter referred as "Warrants") to one or more of the following persons viz. 1) Mr. Prakash N. Kela 2) Mr. Umesh P. Kela and 3) Mrs. Abhilasha Y. Kela, (All individual are promoters / Promoter Group of the Company), in one or more tranches, with an option to the holder of each such warrant to apply for and be allotted one fully paid up Equity Share of the face value of ₹ 10/- each, at any time not exceeding 18 months from the date of allotment of the warrants in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other relevant authorities as may be applicable, at a price to be determined in accordance with the Regulations for Preferential Issues contained in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended upto date, considering 30th August, 2011 as the Relevant Date for this purpose, on preferential basis to the Proposed Allottees.

Letter of Intent from the proposed allottees agreeing to subscribe to the offer has been received by the Company.

The Issue Price shall not be lower than the price determined in terms of Regulation 76 (1) of the SEBI ICDR Regulations, 2009 and the Board shall be authorized to finalize the issue price, as they shall at their discretion deem fit, in consultation with proposed allottees.

The "Relevant Date" for determining the issue price of the resultant equity shares to be allotted against warrants shall be 30th August, 2011, being the date which is 30 days prior to the date of passing this resolution. The issue price as per the Regulations is arrived at ₹ 3.82 per warrant / Equity Share or such other price as may be approved by the Hon'ble Company Law Board or such other Authorities, to be acceptable to the subscribing Promoters/ Promoter group, taking into account the Equity Share will be considered to be issued at a discount. The Company is in the expansion and requires necessary long-term capital to meet with the special circumstances.

In terms of regulation 73 (1) of the SEBI ICDR Regulations, the Company submits / make disclosure as under:

(1) (a) Objects of the Issue

The funds proposed to be raised are to augment long-term resources and for general corporate purposes, working capital requirements of the Company as may be decided by the Board.

b) Intention of Promoters/Directors/Key Management Persons to subscribe to the offer:

Mr. Prakash N. Kela, Mr. Umesh P. Kela, and Mrs. Abhilasha Y. Kela promoters / promoters group of the Company is intending to subscribe for the warrants to the extent of 35,31,852 warrants to be converted into equity shares within 18 months from the date of the issue. Further the promoter may convert the warrants in one or more tranches such that they shall not acquire the voting rights so as to attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

The shares/warrants are proposed to be allotted in the following manners:

Sr. No.	Name	No. of Warrants (1st tranche)	No. of Warrants (2nd tranche)	Total No. of Warrants
1.	Mr. Prakash N. Kela	8,80,592	7,67,606	16,48,198
2.	Mr. Umesh P. Kela	6,28,994	5,48,290	11,77,284
3.	Mrs. Abhilasha Y. Kela	3,77,396	3,28,974	7,06,370
	Total	18,86,982	16,44,870	35,31,852

The allotment would not result in any change in the control or management of the affairs of the company. However there will be consequential change in the voting rights/ shareholding of the Company.



(c) Tentative Shareholding Pattern of the Company before and after the proposed issue

Category	Pre - Issue shareholding		Post – issue / conversion shareholding (on tentative basis)* 2011-12		Post – issue / conversion shareholding (on tentative basis)* 2012-13	
	No. of shares	% to the total capital	No. of shares	% to the total capital	No. of shares	% to the total capital
Promoters and Promoter Group (A) -						
Indian Promoters & Promoters' group –						
Mr. Prakash N. Kela	24,03,910	4.04	32,84,502	5.35	40,52,108	6.44
Mr. Umesh P. Kela	20,83,228	3.50	27,12,222	4.42	32,60,512	5.16
Mrs. Abhilasha Y. Kela	156	-	3,77,552	0.62	7,06,526	1.12
Mr. Yogesh P. Kela	30,63,098	5.15	30,63,098	4.99	30,63,098	4.87
Mr. Kishore N. Kela	13	-	13	-	13	-
Mrs. Vandana N. Kela	13	-	13	-	13	-
Sub Total	75,50,418	12.69	94,37,400	15.38	1,10,82,270	17.59
Institutional Investors –						
Mutual Funds and UTI	NIL	NIL	NIL	NIL	NIL	NIL
FIs/Banks,	NIL	NIL	NIL	NIL	NIL	NIL
Insurance Cos	NIL	NIL	NIL	NIL	NIL	NIL
FIIIs	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total	NIL	NIL	NIL	NIL	NIL	NIL
Others –						
Private Corporate Bodies	1,17,44,408	19.75	1,17,44,408	19.14	1,17,44,408	18.65
Indian Public NRI/OCBs	4,00,64,100	67.37	4,00,64,100	65.30	4,00,64,100	63.59
Clearing Member	1,09,222	0.19	1,09,222	0.18	1,09,222	0.17
Any other (GDR)	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total	5,19,17,730	87.31	5,19,17,730	84.62	5,19,17,730	82.41
Grand Total	5,94,68,148	100	6,13,55,130	100	6,30,00,000	100.00

(d) Proposed time within which the allotment shall be complete:

In accordance with Regulation 74 (1) of the SEBI ICDR Regulations, 2009, the Company shall complete the allotment within 15 days of passing of the resolution by the members, provided that the time for allotment shall be extended by the time taken for obtaining approval for such allotment from any regulatory authority.

(e) The Identity of the proposed allottee and the percentage of post Preferential issued capital that may be held by them:

After the conversion of these warrants into equity shares, the holding of proposed allottees will be as follows.

Identity of the Proposed Allottees	No. of Warrants to be allotted	No. of Shares Post allotment	% of Shareholding Post-Issue / conversion
Mr. Prakash N. Kela	16,48,198	40,52,108	6.44
Mr. Umesh P. Kela	11,77,284	32,60,512	5.16
Mrs. Abhilasha Y. Kela	7,06,370	7,06,526	1.12

Note: It is assumed that the allottee of warrants would exercise his/her entire entitlement in one or more tranches of conversions.