

# **GUJARAT PETROSYNTHESIS LIMITED**



**THIRTY SIXTH ANNUAL REPORT  
2012 - 2013**

**BOARD OF DIRECTORS**

Dr. R.M. THAKKAR	Chairman and Managing Director
Ms. URMI N. PRASAD	Executive Director
Ms. URSULA THAKKAR	Executive Director
Ms. CHARITA THAKKAR	
Mr. T.N.R. RAO	
Mr. V.H. PANDYA	
Dr. (Mrs.) M.H. MEHTA	
Mr. ADHIK SHIRODKAR	
Mr. M.D. GARDE	
Mr. V. RAGHU	

**BANKERS**

AXIS BANK LTD.  
STATE BANK OF INDIA  
BANK OF BARODA  
HDFC BANK

**LEGAL ADVISOR**

KANGA & Co.,  
Mumbai,

**AUDITORS**

SARJBA & Co.  
Bangaluru.

**REGD. OFFICE  
&  
WORKS**

NO. 24, II MAIN PHASE I,  
DODDANEKKUNDI INDUSTRIAL AREA,  
MAHADEVPURA POST, BANGALURU - 560 048

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## NOTICE

**NOTICE IS HEREBY** given that the 36th ANNUAL GENERAL MEETING of the Members of Gujarat Petrosynthese Limited will be held at the Registered office of the Company at 24, II main, Doddanekkundi Industrial Area, Bangalore 560048 on Tuesday, the 17th September, 2013 at 3.00 PM to transact the following business;

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Adhik Shirodkar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Charita Thakkar, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** Mr. V Raghu, who was appointed as an Additional Director by the Board of Directors, pursuant to provisions of section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting is eligible for appointment and in respect of whom the Company has received notice in writing from a member pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation."

6. 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 Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, as may be necessary, the Company hereby approves the terms of appointment and remuneration of Ms. Charita Thakkar as Wholtime Director of the Company designated as an Executive Director for a period of three years with effect from 1st September, 2013 upon terms and conditions as approved by the Board of Directors at its meeting held on 25th May, 2013 and as set out in the explanatory statement and draft agreement to be entered into by the Company with Ms. Charita Thakkar, and submitted to this meeting is hereby specifically approved and sanctioned with a liberty to the Board of Directors, to grant increments and to alter and vary the terms and conditions of the said appointment and / or remuneration and perquisites so as not to exceed the limits of remuneration as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.

7. Issue of equity shares of the Company to the Promoter on preferential allotment basis:

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 (ICDR) 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 Bombay Stock Exchange 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, up to 4,75,000 (four lacs seventy five thousand) equity shares of Rs. 10/- each to Promoters as mentioned in the table below at a price of Rs. 35/- (Rupees thirty five only) per share (including premium Rs. 25/- per share) determined in accordance with Chapter VII of SEBI (ICDR) Regulation, 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:

Sr. No.	Name of the Proposed Allottee	No. of equity shares to be allotted	Category (Promoter/ Non - Promoter)	Allottee is QIB / MF / FII / FI / Banks / Trust
1	Yashashree Commercial Services Private Limited	4,75,000	Promoter	N. A.

**RESOLVED FURTHER THAT** the Equity Shares on preferential basis shall be issued by the Company on the following terms and conditions:

1. The equity shares to be issued on preferential basis to above allottee shall be locked in for a period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.
2. The entire amount of the value Rs. 35/- per share i.e. aggregating Rs. 1,66,25,000/- (Rupees one crore sixty six lacs twenty five thousand only) (Including a share premium of Rs. 1,18,75,000/- per share) to be paid at the time of application.

**RESOLVED FURTHER THAT** the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum offer price for the issuance of the Equity Shares on a preferential allotment basis is 30 days prior from the date of Annual General Meeting i.e. 16th August 2013.

**RESOLVED FURTHER THAT** the equity shares referred to above shall in all respect rank pari-passu with the existing fully paid up equity shares of the Company, provided that they shall confer on the holders of the right to dividend, if any, for the financial year in which they are allotted pari-passu from the date of allotment of new shares.

**RESOLVED FURTHER THAT** the aforesaid equity shares shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to determine the terms and conditions of the issue in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company and to approach SEBI and/ or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution.

**RESOLVED FURTHER THAT** the funds so raised shall fulfill the additional fund requirements for capital expenditure including funding long term working capital requirements and for other approved corporate purposes.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the said Special Resolution u/s. 81(1A) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company are hereby authorized to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question or difficulty for the offer/ issue and allotment of Equity Shares in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal/ regulatory body, to be most beneficial to the company.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any committee the powers conferred upon it by this resolution, or to any individual so authorized by the Board."

8. Issue of Warrants convertible into Equity Shares of the Company to the Promoter on preferential allotment basis

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 (ICDR) 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 Bombay Stock Exchange 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, up to 5,25,000 (five lacs twenty five thousand) convertible warrants (hereinafter referred to as “warrants”) to Promoters (“Warrant holders”) as mentioned in the table below at a price of Rs. 35/- (Rupees thirty five only) per share warrant (including premium Rs. 25/- per share warrant) determined in accordance with Chapter VII of SEBI (ICDR) Regulation, 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 and that each share Warrant entitling the warrant holders to apply for and be allotted one equity share of Rs.10/- (Rupees ten only) each fully paid-up:

Sr. No.	Name of the Proposed Allottee	No. of warrants to be allotted	Category (Promoter/ Non - Promoter)	Allottee is QIB / MF / FII / FI / Banks / Trust
1	Yashashree Commercial Services Private Limited	5,25,000	Promoter	N. A.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 5,25,000 ( five lacs twenty five thousand) Equity Shares of Rs. 10/- each fully paid-up.

**RESOLVED FURTHER THAT** the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum offer price for the issue of the Equity Shares on a preferential allotment basis is 30 days prior from the date of Annual General Meeting i.e. 16th August, 2013.

**RESOLVED FURTHER THAT** the equity shares allotted on conversion of Warrants in terms of this resolution shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend with the existing fully paid up equity shares of Rs. 10/- each of the Company.

**RESOLVED FURTHER THAT** the aforesaid 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 ICDR Regulations.

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

- 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) 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.
- iii) 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 and 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** the Board of Directors of the company be and are hereby Authorized to determine the terms and conditions of the issue in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company and to approach SEBI and / or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution.

**RESOLVED FURTHER THAT** the funds so raised shall fulfill the additional fund requirements for capital expenditure including funding long term working capital requirements and for other approved corporate purposes.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the said Special Resolution u/s 81(1A) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company are hereby authorized to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question or difficulty for the offer/ issue and allotment of Warrants in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal/ regulatory body, to be most beneficial to the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any committee the powers conferred upon it by this resolution, to any individual so authorized by the Board."

**Regd. Office:**

24, II main, Doddanekkundi Industrial Area,  
Bangalore 560 048

By order of the Board of Directors  
**For Gujarat Petrosynthese Limited.**

**(R. M. Thakkar)**  
Chairman & Managing Director

Place : Mumbai

Date : 17th August 2013

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members desirous of getting any information about the accounts and operations of the company are requested to send their query addressed to the Compliance Officer at the Registered Office at least 7 days before the date of the meeting to enable the Management to keep the information readily available at the meeting.
4. As per the requirement of the clause 54 of the Listing Agreement the Company is updating information on its website [www. Gpl.in](http://www.Gpl.in). This portal contains along with business information, quarterly unaudited results, Annual Report containing Notice, Directors Report, Auditors Report, Balance sheet and Profit & Loss Account, quarterly shareholding pattern, contact detail of the Compliance Officer for communicating investor grievances.
5. Member are requested to :
  - a) Notify immediately any change in their residential address.
  - b) Quote the Registered Folio Number in every correspondence with the Company.

- c) Bring their copies of the Annual Reports along with the duly filled in attendance slip at the meeting.
6. The Register of Members and share transfer books of the Company will remain closed from 9th September, 2013 to 17th September, 2013 (both days inclusive) for the purpose of the Annual General Meeting.
7. As per the Circular of the Ministry of Corporate Affairs of "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21-04-2011 and Circular No. 18/2011 dated 29/04/2011) allowing paperless compliances by Companies through electronic mode, companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members are requested to register their email id with the Company.

## ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

### Item No. 5

Mr. V. Raghu was appointed as an Additional Director by the Board of Directors, on 25th May, 2013 pursuant to the provisions of section 260 of the Companies Act, 1956. He holds office of Director upto the date of this Annual General Meeting and is eligible for appointment.

The Company has received notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director,

The Board of Directors recommends his appointment.

Except Mr. V. Raghu, none of the Directors are interested or concerned in this resolution.

### Item No. 6

Ms. Charita Thakkar is a qualified Management Executive. She started her career in the Company way back in 1985, during the start up years of the Company, as Finance Manager after completing her Bachelor's Degree in Science from Bombay University and Master of Business Administration in Finance and Accounts from Texas Christian University, USA. She is also a Master of Science in Management under the Stanford Sloan program, Stanford University, USA.

She assumed the positions of Asst. General Manager and General Manager in the Company before moving to USA, from where she was associated in development of the export market. During her tenure with the Company she played an important role in the development of downstream products and new product applications of polybutene. She was actively involved in the mobilization of funds for the Company through credit financing with Indian Financial Institutions and public offerings of equity shares / rights issue etc.

She was also instrumental in conceptualization and implementation of the Polymer business in Bangalore unit of the Company. Her experience in finance and general management, knowledge of polymer and polybutene business, exposure to international business negotiations, corporate administration and strategic overseas business planning will be very valuable to the Company.

The Remuneration Committee meeting held on 25th May, 2013 has approved the appointment and remuneration payable to Ms. Charita Thakkar. Subject to the approval of the Share holders of the Company, and subject to any other approval(s) as may be required, the Board of Directors of the Company at its meeting held on 25th May, 2013 appointed Ms. Charita as Whole Time Director designated as an Executive Director of the Company for a period of three years with effect from 1st Sept., 2013.

The draft of the Agreement to be entered into between the Company and Ms. Charita Thakkar, is placed before the meeting and is available for inspection by the shareholders of the Company contains inter-alia the following main terms and conditions:

### TERMS OF APPOINTMENT

**Period of Appointment:** Three years with effect from 1st Sept., 2013.

**Salary:** Rs. 1,25,000/- (Rupees one lac twenty five thousand only) per month.

**Commission:** 1% on the net profits of the company computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

## Perquisites:

- i) Housing 1: The expenditure incurred by the company on hiring unfurnished accommodation for the Executive Director will be subject to a ceiling of sixty percent of the salary, over and above ten percent payable by the Executive Director.

Housing II: If accommodation in the company owned house is provided, ten percent of salary of the Executive Director shall be deducted by the company.

Housing III: If the company does not provide accommodation, the Executive Director shall be entitled to House rent allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director.

- ii) The Company shall pay as per the company's policy, the Medical Expenses including such expenses as shall relate to the surgical, optical and dental treatment incurred by Ms Charita Thakkar for herself and her family.
- iii) Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
- iv) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) The Company shall pay the annual premium towards personal accident insurance as per the Rules of the company.
- vi) Ms Charita Thakkar and family shall be covered under the Mediclaim Insurance Schemes as per the rules of the company.
- vii) Encashment of leave on full pay and allowances as per the rules of the company but not exceeding one month's leave for every twelve months of service.
- viii) Such other benefits in accordance with the schemes and rules applicable to the members of the company from time to time.

(Family includes dependent parents, spouse and children who are dependent on her)

For the purpose of calculating the above ceilings, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such Rules, perquisites shall be evaluated at actual costs. The Company will pay tax on non monetary perquisites to the appointee as per amended section 10CC of the Income Tax Act, 1961.

The following shall not be included for the purposes of computation for the Wholetime Director's remuneration or perquisites as aforesaid:

- i) The Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act.
- ii) Gratuity payable to the Wholetime Director at the rate of half month's salary for each completed year of service.
- iii) Encashment of leave at the end of tenure.
- iv) Chauffeur driven company maintained car for use on Company's business and telephones facility at the residence of Wholetime Director, and reimbursement of expenses including entertainment expenses will not be considered as perquisites.

**Minimum Remuneration:** Subject to the ceiling specified in Section II of Part-II of Schedule XIII to the Companies Act, 1956, the Wholetime Director shall be paid remuneration by way of salary and perquisites (except commission specified above) notwithstanding that in the Financial Year during the currency of tenure of the Wholetime director, the Company has no profits or its profits are inadequate.

**Compensation:** If before the expiry of the Agreement, the tenure of her office as Wholetime Director is terminated, she shall be entitled to compensation for the loss of office subject to the provisions of section 318 of the Companies Act, 1956.



The Executive Director shall be entitled to the reimbursement of expenses actually and properly incurred by her for the business of the Company.

The particulars set out above, may be treated as an abstract of the terms of contract for the remuneration/ appointment of Ms. Charita Thakkar as Wholetime Director of the Company, which is required to be given to every member under the provisions of section 302(2) of the Companies Act, 1956.

The draft of the Agreement referred to above is open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day upto the date of the Annual General Meeting.

The Board recommends the Resolution for your approval.

Dr. R M Thakkar, Ms. Charita Thakkar, Ms. Urmi N Prasad, and Ms. Ursula Thakkar who are related to each other, are interested in the Resolution as it relates to her own/ relative's term of appointment/ remuneration.

None of the other Directors is in any way concerned or interested in the said Resolution.

## Item No. 7 & 8

### **Issue of Equity Shares and Warrants convertible into Equity Shares of the Company to the Promoter on preferential allotment basis**

The Company has installed a new extruder and increased the capacity of the unit by a further 1000 tons per annum. The company would require funds for the additional working capital necessitated by the increased sales as well as for the additional capital expenditure required by both the Company and its 100% owned subsidiary - Gujarat Polybutene Pvt Ltd.

In order to continue to keep the Company debt free and to avoid the financial burden of interest, the Company proposes to offer on preferential basis Equity Shares and Warrants convertible into Equity Shares to the promoters of the Company.

The Company requires funds in near future for meeting present capital expenditure for expansion and modernization activities, working capital margin requirements arising out of increased volume of business and for other corporate purposes, as may be required from time to time. To make provision for the funds so required, it is considered appropriate under the current circumstances to issue equity shares and warrants convertible into equity shares on preferential basis in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

On the request of the Company, Yashashree Commercial Services Private Limited a promoter group company, have agreed to subscribe up to 4,75,000 (four lacs seventy five thousand) Equity Shares (hereinafter referred to as "Equity Shares") and 5,25,000 (five lacs twenty five thousand) number of Equity Share Warrants (hereinafter referred to as "Warrants"), convertible into equivalent number of equity shares of Rs.10/- each fully paid-up, on preferential basis, at a price calculated in accordance with clause 76(1) of chapter VII of SEBI ICDR (Issue of Capital And Disclosure Requirements) Regulations, 2009, which shall be the higher of the following:

1. The average of the weekly high and low of the closing prices of the Equity Shares quoted on the Bombay stock exchange during six months preceding the relevant date; or
2. The average of the weekly high and low of the closing prices of the Equity Shares quoted on the Bombay stock exchange during two weeks preceding the relevant date or
3. The Book value of equity shares as determined by the Auditor as on 31st March, 2013.

(Relevant date is 30 days prior from the date of Annual General Meeting, i.e. 16th August, 2013)

The details of the issue and other particulars as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations") in relation to the above resolution proposed are given as under:

#### **1. The object of the issue on preferential basis:**

The overall object of the issue of Equity Shares and Warrants convertible into Equity Shares in terms of the foregoing is to

- a) Raise long-term resources to finance its diversification and growth plans, and
- b) Raise funds for general corporate purposes including for working capital and other requirements

## 2 The issue expenses would be met out of the proceeds of this issue.

Intention of the Promoters/ Directors/ Key Management persons to subscribe in the issue:

Yashashree Commercial Services Private Limited, a promoter group company intends to subscribe for 4,75,000 equity shares of the Company and for 5,25,000 warrants convertible into equity shares. Apart, from this, no other Promoter/ Director/ Key Management Person intends to subscribe to the Proposed Preferential Allotment.

## 3. The shareholding pattern of the Company, before and after the preferential issue assuming allotment of equity shares upon full conversion of all the Warrants, shall be as under:

Sr. No.	Category	Pre issue Shareholding		Post issue Shareholding	
		No. of shares	% of Capital	No. of shares	% of Capital
<b>A</b>	<b>Promoters Holding</b>				
1	Indian Promoters	1681368	32.52	2681368	43.47
	Foreign Promoters	448636	8.68	448636	7.27
2	Persons Acting in Concert				
	<b>Sub-Total</b>	<b>2130004</b>	<b>41.20</b>	<b>3130004</b>	<b>50.74</b>
<b>B</b>	<b>Non-Promoters Holding</b>				
1	Institutional investors				
	Mutual Funds	26235	0.51	26235	0.43
	Banks, FIs, Insurance companies	835427	16.16	835427	13.54
	NRIS/ OCBs	60000	1.16	60000	0.97
	FIs				
	<b>Sub-Total</b>	<b>921662</b>	<b>17.83</b>	<b>921662</b>	<b>14.94</b>
2	<b>Others</b>				
	Private Body Corporates	31818	0.62	31818	0.51
	Indian Public	1640692	31.75	1640692	26.60
	NRI	444990	8.60	444990	7.21
	Clearing Members				
	<b>Sub-Total</b>	<b>2117500</b>	<b>40.97</b>	<b>2117500</b>	<b>34.32</b>
	<b>Grand Total</b>	<b>5169166</b>	<b>100.00</b>	<b>6169166</b>	<b>100.00</b>

### Notes:

- a) The above shareholding pattern has been prepared on the basis of shareholding as on 31st July, 2013.
- b) The post- issue shareholding pattern has been arrived on the assumption that 4,75,000 equity shares to be issued and 5,25,000 equity shares to be issued on conversion of warrants into equity shares.

## 4. Proposed time within which the allotment shall be completed:

The allotment of proposed Equity Shares on Preferential Basis is to be completed in accordance with the SEBI (ICDR) Regulations, within 15 days from the date of passing the resolution provided hereinabove by the shareholders of the Company at this meeting or from the date of approvals, if any, required from any regulatory authority(ies) or the Central Government, as the case may be, whichever is later.

## 5. Auditor's Certificate:

A copy of the certificate from M/s S J H & Co., Chartered Accountants, Bangalore, the statutory auditors of