



IMP POWERS LTD

POWER TO "POWER" YOUR FUTURE

**45th Annual Report
2006 - 2007**

IMP POWERS LTD**BOARD OF DIRECTORS**

Shri Ramniwas R Dhoot	Chairman
Shri Ajay R Dhoot	Managing Director
Shri Aaditya R Dhoot	Jt Managing Director
Shri R T Rajguroo	Director
Shri Prashant J Pandit	Director
Shri Jayant N Godbole	Additional Director
Shri Vishal Tulsyan	Additional Director

COMPANY SECRETRY

Gaurav Thakur

BANKERS

State Bank of Hyderabad
 State Bank of Saurashtra
 Bank of India
 The Karnataka Bank Ltd
 SBI Commercial and International Bank Ltd

45TH ANNUAL REPORT

2006-2007

AUDITORS

Milwani Associates
 Bagaria House, 1st Floor, 31/33
 Dr. M.B. Velkar St.
 (Kalbhat Lane), Mumbai 400 002

REGISTERED OFFICE :

Survey No. 263/3/2/2, Sayli Village
 Umar Kuin Road,
 Silvassa (U.T. D&NH) -396230

CORPORATE OFFICE

35/C, Popular Press Building
 2nd Floor, Pt. M M Malviya Road,
 Tardeo, Mumbai - 400034

MUMBAI WORKS

85, Government Industrial Estate
 Kandivli West,
 Mumbai - 400067

**IMP POWERS LTD**

Registered Office : Survey No. 263/3/2/2, Sayli Village, Umar Kuin Road, Silvassa, U.T(D&NH)

PROXY FORM

Regd. Folio No.

DP ID /Client ID No.

No. of Shares held

I/We of being a Member/ Members of the above named Company hereby appoint of or failing him of or failing him of as my / our proxy to attend and vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on Friday, the 30th day of November 2007 at 3.00 p.m. at the registered office of the company i.e. Survey No. 263/3/2/2, Sayli Village, Umar Kuin Road, Silvassa U.T(D&NH) and/or at any adjournment thereof.

Signed:

Date:

Affix
Re 1
Revenue
Stamp

Note: Proxy Form must reach the Company's Registered Office not less than 48 (Forty- Eight) hours before the date of the Meeting.

Proxy need not be the member of the Company.

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IMP POWERS LTD

Registered Office : Survey No. 263/3/2/2, Sayli Village, Umar Kuin Road, Silvassa, U.T(D&NH)

ATTENDANCE SLIP**ANNUAL GENERAL MEETING on 30th November, 2007**

Regd. Folio No.

DP ID /Client ID No.

No. of Shares held

To be handed over at the entrance of Meeting Venue.

Name of the attending Member (IN BLOCK LETTERS) _____

Name of the Proxy (IN BLOCK LETTERS) (To be filled in by Proxy attending instead of the Member) _____

I hereby record my presence at the Annual General Meeting of the Company to be held on Friday, the 30th day of November 2007 at 3.00 p.m. at the registered office of the company i.e. Survey No. 263/3/2/2, Sayli Village, Umar Kuin Road, Silvassa U.T(D&NH)

Members'/Proxy Signature**Notes:**

- Members'/ Joint Members' Proxies are requested to bring the Attendance Slips with them. Duplicate slips will not be issued at the venue.
- Members are requested to bring their copies of Annual Report for reference at the meeting.

NOTICE OF THE FORTY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 45th Annual General Meeting of **IMP POWERS LIMITED** will be held on Friday, the **30th day of November 2007** at 3.00 P.M. at the Registered Office of the Company i.e. Survey No. 263/3/2/2, Umar Kuin Road, Sayli Village, Silvassa, U.T(D.&N.H.) to transact the following business:

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June 2007 and Reports of the Directors' and of the Auditors' thereon.
2. To appoint a Director in place of Mr. R.T. RajGuroo who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prashant J. Pandit who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without Modification(s), the following Resolution as Ordinary Resolution :

"RESOLVED THAT M/s. Milwani Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

AS SPECIAL BUSINESS :

5. To Consider and, if thought fit, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Jayant N. Godbole, who was appointed by the Board of Directors as an Additional Director of the Company and who holds the office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, 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, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Vishal Tulsyan, who was appointed by the Board of Directors as an Additional Director of the Company and who holds the office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To, consider and, if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the provisions of the Article of Association of the Company, and in suppression to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as it may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the financial institutions, bankers and/or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of Rs. 200 Crores (Rupees Two Hundred Crores only)."

8. To, consider and, if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT in suppression of the earlier resolution passed pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its consent to the Board of Directors of the Company to create mortgages/charges/hypothecation on all or any of the immovable properties of the Company present and future, of the whole or substantially the whole of the undertaking of the Company, ranking pari-passu with or second or subservient or subordinate to the mortgages/charges/hypothecation already created or to be created in future by the Company for securing any loans and/or advances and/or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks, machinery suppliers and/or any other persons or institutions providing finance for purchase of assets/business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills rediscounting scheme or in favour of trustees for debenture holders/bondholders that may be appointed hereafter, as security for the debentures/bonds that may be issued by the Company on such terms and conditions and at such times and in such form and manner as the Board may deem fit, so that the total outstanding amount at any time so secured shall not exceed Rs. 200 Crores together with interest thereon and costs, charges, expenses, and any other money payable by the Company to the concerned lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper or desirable and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

9. To, consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the Article of Association of the Company be and is hereby altered in the following manner:

The Following Articles No. 182 to 189 shall be added after Article 181:

182 STATUS OF INVESTOR SPECIFIED ARTICLES

182.1 Notwithstanding anything to the contrary contained in Articles 1 to 181 above and till the subsistence of the Share Subscription & Shareholders' Agreement ("the SSS Agreement") i.e. earlier of (a) the holding of the Investors (*together with their Affiliates*) in the Company falling below the Minimum Stake of 5% and (b) four (4) years from the Closing or on its termination otherwise, these Articles 182 to 189 (*The "Investor Specified Articles"*) shall apply in respect of the matter covered thereby and, in case of any inconsistency between the Investor Specified Articles and Articles 1 to 181 above, the Investor Specified Articles shall prevail in respect of inconsistency.

182.2 For the purpose of Article 182 to 189, and unless the context otherwise requires, the following expressions shall have the following meanings:

183 DEFINITIONS AND INTERPRETATION

183.1 In these Investor Specified Articles, the following words and expression shall have the following meanings:

"Affiliate"	shall mean with respect to any Person (the " Specified Person "), any Person other than the Specified Person, directly or indirectly, controlling, controlled by, or under direct or indirect common control with the Specified Person. For the purposes of this definition, the term " control " when used with respect to any Person means the beneficial ownership, directly or indirectly, of more than 26% of the voting power of such Person, or the ability to control the composition or the decisions of the board of directors, or the possession of the power to direct or cause the direction of the management and policies of such Person by virtue of the Articles of Association of the company or an agreement or contract or otherwise; and the term " Affiliates " in so far as it relates to any of the Promoters shall include (a) any Relative of any of the Promoter, (b) any company, firm, association of persons or Hindu undivided family (HUF) in which any of the Promoters and/or his Relative, either singly or collectively have a direct or indirect economic interest exceeding 26% in its ownership, management, membership or profits; it is clarified that in so far as the term ' Affiliates ' relates to the Company the term shall also include Mangalam Drugs and Organics Limited, a company incorporated and registered under the provisions of the Act and in which the Promoters, as on the date of 'The SSS Agreement', directly or indirectly hold shares aggregating to 25.62% of its share capital;
"Agreement"	shall mean the Share Subscription and Shareholders Agreement dated September 10, 2007 entered between the Company, the Promoters and the Investors whereby the Investors have subscribed to, and the Company has issued and allotted to the Investors, the Subscription Shares;
"Alternate Director"	shall mean such person nominated by the Investors to be appointed as the alternate director to their Investor Director;
"Board"	shall mean the board of directors of the Company as constituted from time to time;
"Business Day"	shall mean any day of the year, other than Saturdays and Sundays and days when the banks located in Maharashtra, India are closed for business;
"Block Sale"	shall mean sale by the Investors, in one single transaction, of not less than 1,50,000 Equity Shares to be issued on conversion of Subscription Shares;
"CCPS"	shall mean 8.75% compulsory convertible preference shares having the terms and conditions set out in <u>Annexure 3</u> of the Agreement;
"CDR Scheme"	shall mean the corporate debt restructuring scheme approved by the corporate debt restructuring cell for the Company by the Letter of Approval dated December 23, 2004;

"Closing Date"	shall mean 14 th September 2007
"Director"	shall mean the director of the Company and unless specifically excluded shall include the Investor Director;
"Equity Shares"	shall mean the equity shares of the Company of Rs.10 each;
"Fresh Issue"	shall have the meaning ascribed to the term in Article 187.1;
"Fresh Issue Notice"	shall have the meaning ascribed to the term in Article 187.2.2;
"Further Shares"	shall have the meaning ascribed to the term in Article 187.3;
"Investor Director"	shall mean the director nominated by the Investors and who will remain on the Board till such time as the Investors together with their Affiliates continue to hold the Minimum Stake;
"Investor No.1"	shall mean India Business Excellence Fund I;
"Investor No.2"	shall mean India Business Excellence Fund;
"Investor No.1 CCPS"	shall mean 5,42,800 CCPS issued and allotted by the Company to the Investor No.1;
"Investor No.2 CCPS"	shall mean 6,37,200 CCPS issued and allotted by the Company to the Investor No.2;
"Investors"	shall mean Investor No.1 and Investor No.2 collectively;
"Law"	shall mean all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, board or court;
"Minimum Stake"	shall mean the minimum shareholding of the Investors (<i>by themselves or together with their Affiliates</i>) representing in the aggregate 5% or more of the paid up equity Share Capital of the Company; it is clarified that for the purpose of computing such 5% the Shares acquired by the Investors (<i>by themselves or together with their Affiliates</i>) through any stock exchange, trade or from any Person (<i>other than the Promoters and/or its Affiliates</i>) through a private sale shall be excluded;
"Observer"	shall mean such person appointed by the Investors as an observer, who will have the right to attend any and all meetings of the Board, only in the event the Investor Director or the Alternate Director is unable to attend such meetings without any voting rights;
"Offered Shares"	shall mean the Shares proposed to sold by the Offerors by way of a Block Sale;
"Offerors"	shall mean the Investors (<i>or any of their Affiliates</i>) intending to do a Block Sale;
"Party"	shall mean the Company, each of the Promoters or each of the Investors, severally and "Parties" shall mean the Company, the Promoters and the Investors, jointly;
"Permitted Transferee"	shall mean the transferee of the Subscription Shares to whom the rights under the Agreement are assigned by the Investors and such Transfer is by way of a single transaction and to a single buyer;
"Person"	shall mean a juristic person, individual, company, corporation, partnership, association, trust or other entity or organisation, including a government or political subdivision or an agency or instrumentality thereof;
"Promoters"	shall mean Mr. Ramniwas R. Dhoot, Mr. Aaditya Dhoot and Mr. Ajay Dhoot collectively and the term "Promoter" shall mean either of Mr. Ramniwas R. Dhoot or Mr. Aaditya Dhoot or Mr. Ajay Dhoot;
"Reserved Matters"	shall have the meaning ascribed to the term in Article 186;
"Share Capital"	shall mean the entire capital of the Company and the terms authorised share capital, issued and allotted share capital, called up share capital and paid up share capital to be construed accordingly;
"Shares"	shall include all kinds of shares and also include any security, instrument or right (<i>whether</i>

	<i>vested, deferred, convertible or contingent</i>) entitling or enabling the allottee or holder thereof to acquire, whether directly or indirectly, shares of, beneficial interest or voting rights in the Company;
"Stock Exchanges"	shall mean the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;
"Subscription Amount"	shall mean an amount of Rs. 18,99,80,000;
"Subscription Price"	shall mean Rs. 161 per Subscription Share;
"Subscription Shares"	shall mean the Investor No.1 CCPS and Investor No.2 CCPS aggregating to 11,80,000 CCPS and shall include the Equity Shares issued on conversion of the CCPS into Equity Shares (or such number of CCPS and/or the Equity Shares issued on conversion as held by the Investors from time to time);
"Threshold Price"	shall mean Rs.145 being 90% of the Subscription Price;
"Transfer"	shall mean (in either the noun or the verb form including, with respect to the verb form, all conjugations thereof within their correlative meanings) with respect to any Shares, the sale, creation of Encumbrance or other disposition (whether for or without consideration or, whether directly or indirectly) of any such Shares or any interest therein;

183.2 All other capitalised terms used in these Articles but not defined herein shall have the same meaning as used in the Agreement"

184 TRANSFER OF SHARES AND ASSIGNMENT OF RIGHTS

- 184.1 Transfer to Affiliates :** The Investors shall be free to sell or otherwise Transfer all (or any part) of the Subscription Shares and assign the Agreement (or any part thereof) to their Affiliates, without any right of first offer to the Promoters, subject to such Affiliate executing a deed of adherence.
- 184.2 Transfer to Competitor.** Notwithstanding the provisions above the Investors shall not sell their respective Subscription Shares or the resultant Equity Shares, together with their rights hereunder, to any Competitor of the Company except with the prior written consent of the Promoters. For this purpose, **Competitor** shall mean any Person, whether in India or overseas, which derives (including, by way of consolidation of accounts), revenues from manufacture of electrical equipments including transformers, meters and testing equipments.
- 184.3 Sale on Stock Exchanges :** Nothing in this Article 184 shall restrict sale of the Subscription Shares by the Investors to any Person on the floor of any of the Stock Exchanges *provided*, the Investors do not sell more than 1,50,000 Shares of the Subscription Shares on any single trading day, *provided, further*, in case of sale on the floor of the Stock Exchanges, the transferee(s) shall not be entitled to the benefits under this Agreement and the Investors shall within two (2) days of such sale, inform the Company of such sale.
- 184.4** Subject to the provisions of the Agreement and except as provided in these Articles, no Party shall be entitled to assign its rights or obligations contained on its part to any Person, without obtaining a prior written consent of the other Party. It is clarified that in the event the Investors are desirous of assigning its rights or obligations under the Agreement then consent obtained from any one Promoter or the Company shall suffice the provisions of this provision.
- 184.5** Subject to the provisions of the Agreement, the Investors may assign their rights under the Agreement to the Permitted Transferee *provided* the number of Subscription Shares Transferred to such Permitted Transferee constitutes not less than 7.5% of the Share Capital and the Permitted Transferee executes a deed of adherence. Any subsequent assignment of this Agreement by the Permitted Transferee shall be subject to Article 184
- 184.6** All rights of the Investors and the Permitted Transferee shall be exercised only through one of them, acting as the agent for the other of them, *provided* all rights assigned to the Permitted Transferee shall cease if the shareholding of the Investors falls below five (5) % of the share capital due to transfer of any Subscription Shares by the Investors and not on account of dilution of shareholding due to any Fresh Issue

185 DIRECTORS AND PROCEEDINGS OF THE BOARD OF DIRECTORS

- 185.1 Composition :** The Board shall consist of not less than three (3) and not more than twelve (12) Directors.
- 185.2** On and from the Closing Date, the Promoters shall continue to be Directors on the Board and the Investors shall be entitled to nominate an Investor Director on the Board till such time as the Investors together with their Affiliates continue to hold the Minimum Stake.
- 185.3** The Investor Director shall be a non executive director and accordingly shall not be responsible for the day to day affairs of the Company.

- 185.4 All appointments or removal of the Investor Director shall be in writing and delivered to the registered office of the Company. The Investor Director shall serve from the time of his appointment until the earlier of, his removal, resignation, death, disqualification or retirement.
- 185.5 **Alternate Director:** The Investors shall be entitled to, from time to time, appoint an Alternate Director and the Company shall exercise all its rights and powers and take all requisite actions to ensure that such person is appointed forthwith as the Investor Director's alternate director.
- 185.6 **Observer :** The Investors may at any time, appoint an Observer who shall have the right to attend any and all meetings of the Board, only in the event the Investor Director or the Alternate Director is unable to attend such meetings. However, the Observer shall not have any voting rights.
- 185.7 **Board Meetings.**
- 185.7.1 The meetings of the Board shall be held at Mumbai or Silvassa at least once in three months and at least four such meetings shall be held every year. Further, any Director shall be entitled to convene a meeting of the Board in accordance with these Articles. The notice of a Board meeting shall be given to each Director and the Investor Director at the address notified from time to time by such Director and the Investors, at least seven (7) Business Days prior to such meeting, *provided that* such period of notice may be shortened by consents of majority of the Directors, *provided further that* in the event the Investor Director, within one (1) day from receipt of the notice for holding meeting at a shorter notice, communicates to the Company (*whether orally or in writing*) his disapproval of the period of notice being shortened, then the meeting shall not be held at shorter notice and a proper notice of seven (7) days shall be given for holding the meeting. Each such notice shall contain *inter alia* an agenda specifying in reasonable details the matters to be discussed at the relevant meeting and shall be accompanied by any relevant papers for discussion. Any notice sent to an address outside India shall be sent by courier and by electronic message or in the event the same is not possible by facsimile.
- 185.7.2 No decision shall be taken and/or any resolution passed on any matter that has not been included in the agenda circulated along with the notice to the meeting, unless otherwise agreed upon, in writing, by the Investor Director.
- 185.8 **Quorum of Board meetings :**
- 185.8.1 The quorum at a Board meeting shall be two Directors or one-third of the total strength of the Board, whichever is higher, of which one shall be the Investor Director or his Alternate Director, as the case may be; *provided that*, if within thirty (30) minutes of the time appointed for holding any Board meeting, the Investor Director or his Alternate Director is not present, then the Directors present at such meeting (*provided they are a minimum of two Directors or one-third of the total strength of the Board*) shall validly constitute the quorum.
- 185.8.2 Notwithstanding what is stated in the Article above, in any Board meeting where by virtue of the provisions above any two or more Directors present validly constitute the quorum and where in such meeting the Investor Director is not present, then no resolution on any of the Reserved Matters shall be passed at such meeting, *provided*, the Investor Director or the Investors have, at least one day prior to the date of the meeting, conveyed in writing to the Company, his disagreement in relation to any of the Reserved Matters and if any such resolution is passed, the resolution shall be invalid.
- 185.8.3 The Company shall be liable to bear all expenses incurred by the Investor Director his Alternate Director or Observer for attending meetings of the Board.

186 POWERS OF THE BOARD

- 186.1 During the subsistence of the Agreement, except with the prior written express consent of the Investors in the shareholders meeting or the Board meeting, no decision on the following actions ("**Reserved Matters**") shall be taken
- 186.1.1 commencement of any new line of business, not incidental or ancillary to the Business of the Company;
- 186.1.2 amendment of these Articles in any manner that would affect the rights of the Investors and/or dilute the rights of Investors granted under the Agreement.

187 ANTI DILUTION ON FRESH ISSUE OF SHARES

- 187.1 **Fresh Issue of Shares :** The Company shall not issue any fresh Shares to any Person (*other than a bonus or a rights issue*) ("**Fresh Issue**"), unless the same is approved by not less than three-fourth (3/4") of the Board (*subject to the approval by the shareholders in the shareholders' meeting*) and subject to the provisions of this Article.
- 187.2 **Right of First Offer :**
- 187.2.1 The Investors shall have a right of first offer in respect of any Fresh Issue where such Fresh Issue is proposed at a price being less than the Threshold Price, except in case of any Fresh Issue to (i) another strategic business partner of not more than 5% of the then paid up Share Capital, during the term of this Agreement, or (ii) through an employee stock option plan of Shares not constituting

more than 5% of the then paid up Share Capital, during the subsistence of the Agreement, or (iii) to the bankers in terms of the CDR Scheme or such other bankers with whom the Company has entered into loan agreements. For the purpose of this Article, the term "strategic business partner" shall mean a Person with whom the Company enters into a long term supply contract or a technical collaboration agreement, but not being a Person engaged, directly or indirectly, in any investment activities as its primary activities which term primary activity shall mean where income from loan or investment activities constitute the single largest source of income of such Person.

187.2.2 The Company shall provide the Investors with a written notice of its intent to offer such Fresh Issue (the "**Fresh Issue Notice**"). The Fresh Issue Notice shall contain the number of Shares proposed to be issued by the Company in the Fresh Issue and the price at which the Fresh Issue is proposed to be offered by the Company. Within thirty (30) days of receipt of the Fresh Issue Notice, the Investors may either, in-principle elect to subscribe to all or part of such Fresh Issue, by itself or through any one or more of its Affiliates or nominees, on the terms and conditions specified in the Fresh Issue Notice, or elect not to subscribe to the Fresh Issue.

187.2.3 In the event the Investors decline to subscribe to the Fresh Issue Shares, or elect to subscribe to only part of the Fresh Issue, or there has not been a timely election for subscription to the Fresh Issue by the Investors within the aforesaid 30-days period, the Company may, without any further obligation, effect the Fresh Issue (or ~~the unsubscribed portion, as the case may be~~) to any third party at the price and on the terms and conditions no less favourable than those set out in the Fresh Issue Notice.

187.3 Dilutive Issuance. If the Company issues fresh Shares in terms of Article 187.1 (other than under the exceptions set out in Article 187.2.1 or under the circumstances set out in Article 187.2.3 at a price lesser than the Threshold Price, then the Investors will be entitled to receive, and the Company shall be bound to issue and allot to the Investors (or its Affiliates or nominees) such number of additional Shares (the "**Further Shares**") at the lowest price permissible by Law, upon the Investors (or its Affiliates or nominees) depositing with the Company the required subscription amount as would be required, to equate the Investor's adjusted cost per Subscription Share to the new price at which the Company has issued the fresh Shares to any Person.

187.4 Anti-Dilution Rights.

187.4.1 Notwithstanding any of the above, the Company shall not offer any rights to any Person which will in any way conflict with the rights of the Investors. In the event any Person who invests in the Company is offered rights, including those relating to voting, dividends, transfer of Shares, and further issues of Shares (unless such offer of rights has been waived by the Investors), that are more favourable to such Person than those offered to the Investors, the Investors shall, subject to the provisions of Clause 187.4.2, have the right to require the Promoters and the Company, and the Promoters and the Company shall ensure that the Investors are entitled to enjoy, any and all such rights offered to such other Person, and the Parties to the Agreement agree to execute all such documents as are necessary to offer such additional rights to the Investors.

187.4.2 The Company may offer to a Person who invests in the Company in terms of Article 187.2.3 above, a right to appoint one nominee Director on Board, provided, such Person subscribes to not less than 10% of the then issued and paid up Share Capital.

188 DIVIDENDS

188.1 The Company shall not declare or recommend any dividend (or interim dividend) or any other distribution having similar effect on the Equity Shares, for more than 10% of the paid up equity Share Capital of the Company, for the financial year 2007-08.

189 STATUTORY AUDITORS

189.1 The Company shall, on and from the financial year 2008-09, if agreed upon by the Investors, reappoint the current statutory auditor of the Company or appoint a new statutory auditor (as may be mutually agreed upon between the Parties).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard."

10. To, consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the increase in the remuneration payable to Mr. Ramniwas R Dhoot, Chairman of the Company w.e.f 1st December 2007 for the remaining term of his appointment as Chairman of the Company as per revised remuneration structure given below:

Particulars	Shri Ramniwas R Dhoot(Chairman)
Remuneration	Rs. 130,000/-per month
Perquisites and allowances including re-imbursement of expenses	Not Exceeding 75 % of the Remuneration
Commission	Not exceeding 2% of the Net Profits of the Company

RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary, perquisite and commission payable to Chairman shall always be subject to the overall ceiling laid down in Section 198 and 309 and Section I of the Part-II of the Schedule XIII and other applicable provisions of the Companies Act, 1956 in case of availability of adequate profits and the aggregate remuneration shall be treated as minimum remuneration to be paid in case of loss or inadequacy of profits in any year subject to such limits as may be prescribed in Section II of the Part-II of the Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary such revised terms and conditions in accordance with the limits specified in schedule XIII of the companies act 1956 as may be agreed by the Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute the supplemental agreement with Mr. Ramniwas R Dhoot in this regard with such modifications and alterations as may be mutually agreed and to do all such acts, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution."

11. To, consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the increase in the remuneration payable to Mr. Ajay R Dhoot, Managing Director of the Company w.e.f 1st December 2007 for the remaining term of his appointment as Managing Director of the Company as per revised remuneration structure given below :

Particulars	Shri Ajay R Dhoot(Managing Director)
Remuneration	Rs. 120,000/- per month
Perquisites and allowances including re-imbursement of expenses	Not Exceeding 75 % of the Remuneration
Commission	Not exceeding 2% of the Net Profits of the Company

Besides above, the Company shall take an employer-employee insurance policy with a life risk cover up to Rs.10 crores for the Managing Director

RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary, perquisite and commission payable to Managing Director shall always be subject to the overall ceiling laid down in Section 198 and 309 and Section I of the Part-II of the Schedule XIII and other applicable provisions of the Companies Act, 1956 in case of availability of adequate profits and the aggregate remuneration shall be treated as minimum remuneration to be paid in case of loss or inadequacy of profits in any year subject to such limits as may be prescribed in Section II of the Part-II of the Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary such revised terms and conditions in accordance with the limits specified in schedule XIII of the companies act 1956 as may be agreed by the Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute the said supplemental agreement with Mr. Ajay R Dhoot in this regard with such modifications and alterations as may be mutually agreed and to do all such acts, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution."

12. To, consider and, if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the increase in the remuneration payable to Mr. Aaditya R Dhoot, Jt. Managing Director of the Company w.e.f 1st December 2007 for the remaining term of his appointment as Jt. Managing Director of the Company as per revised remuneration structure given below :

Particulars	Shri Aaditya R Dhoot(Jt Managing Director)
Remuneration	Rs. 1,10,000/- per month
Perquisites and allowances including re-imbursement of expenses	Not Exceeding 75 % of the Remuneration
Commission	Not exceeding 2% of the Net Profits of the Company

Besides above, the Company shall take an employer-employee insurance policy with a life risk cover up to Rs.10 crores for the Jt. Managing Director

RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary, perquisite and commission payable to Jt. Managing Director shall always be subject to the overall ceiling laid down in Section 198 and 309 and Section I of the Part-II of the Schedule XIII and other