



**IITL** GROUP

# Industrial Investment Trust Limited 2011-2012

## 79th Annual Report



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## **INDUSTRIAL INVESTMENT TRUST LIMITED**

**BOARD OF DIRECTORS** : Dr. B. Samal - *Chairman*  
Mr. Bipin Agarwal  
Mr. T. M. Nagarajan  
Mr. Raj Kumar Mittal  
Mr. R. S. Loona  
Mr. Venkatesan Narayanan  
Mr. P. K. Rath - *Nominee of LIC India*  
  
Ms. Cumi Banerjee - *CEO & Company Secretary*

**BANKERS** : Axis Bank Limited  
ICICI Bank Limited  
Union Bank of India  
IndusInd Bank Ltd.  
Bank of Baroda  
HDFC Bank Limited

**AUDITORS** : Deloitte Haskins & Sells

**REGISTRAR & SHARE  
TRANSFER AGENTS** : Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L. B. S. Marg,  
Bhandup (W), Mumbai 400 078

**REGISTERED OFFICE** : 14E, Rajabhadur Mansion, 2nd Floor,  
28, Bombay Samachar Marg  
Mumbai 400 001

**NOTICE**

NOTICE is hereby given that the Seventy Ninth Annual General Meeting of the Members of Industrial Investment Trust Limited will be held at **M.C. Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Thursday, September 20, 2012 at 3.30 p.m.** to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the year ended March 31, 2012.
3. To appoint a Director in place of Mr. R.S. Loona, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Venkatesan Narayanan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the retiring Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), be and are hereby re-appointed as Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them".

**SPECIAL BUSINESS****6. Appointment of Mr. T.M. Nagarajan as a Director**

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

**"RESOLVED THAT** Mr. T.M. Nagarajan, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**7. Re-appointment of Dr. B. Samal as Executive Chairman of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and

all guidelines for managerial remuneration issued by Central Government from time to time, and such other consents and approvals as may be required and pursuant to Articles 149 and 150 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Dr. B. Samal as Executive Chairman of the Company w.e.f. January 24, 2012 on the following terms and conditions:

1. Tenure of Appointment : From January 24, 2012 to January 23, 2013
2. Remuneration Payable : ₹1,75,000/- per month
3. Other Perquisites and Benefits : He shall be entitled to, as per rules of the Company, to:
  - i) Company's contribution to Provident Fund,
  - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of services and
  - iii) Encashment of leave at the end of the tenure

In addition to salary, perquisites like club fees and use of Company's car for official purpose.

**Minimum Managerial Remuneration (in case of absence or inadequacy of profits):**

Notwithstanding anything to the contrary herein contained, where, during the tenure of the appointment of Dr. B. Samal as the Executive Chairman of the Company, the Company has no profits or the profits are inadequate, the Company will pay the above remuneration as minimum remuneration.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this resolution."

**8. Re-classification of Share Capital & consequent Alteration of Memorandum of Association**

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

**"RESOLVED THAT** in accordance with provisions of Section 16 and Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company of ₹ 35,00,00,000/- (Rupees Thirty Five Crores Only) be and is hereby re-classified into 3,00,00,000 (Three Crores) Equity Shares of ₹10/- (Rupees Ten Only) each and 50,00,000 (Fifty Lakhs) Preference Shares of ₹10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the existing Clause 5 of the Memorandum of Association of the Company be and is

hereby altered by substituting the following new Clause 5 in place of existing Clause 5:

'5 The Authorised Share Capital of the Company is ₹ 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 50,00,000 (Fifty Lakhs) Preference Shares of ₹10/- (Rupees Ten Only) each with power to increase or reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and the legislative provisions for the time being in force in this behalf and to vary, modify, amalgamate, or abrogate any such right, privileges or conditions in such manner as may be for the time being be provided by the Articles of Association of the Company.'

**RESOLVED FURTHER THAT** Dr. B. Samal, Chairman of the Company and / or Mr. Bipin Agarwal, Director of the Company and / or Mr. T.M. Nagarajan, Director of the Company and / or Ms. Cumi Banerjee, CEO and Company Secretary of the Company be and are hereby jointly as well as severally authorized to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms with the Registrar of Companies, Mumbai in order to give effect to the above Resolution."

#### 9. Alteration of Articles of Association of the Company

To consider and if thought fit, to pass with or without modifications, the following, resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Article 3 of the Articles of Association of the Company be and is hereby amended to read as follows:

'3. The Authorised Share Capital of the Company is ₹ 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹10/- (Rupees Ten Only) each and 50,00,000 (Fifty Lakhs) Preference Shares of ₹10/- (Rupees Ten Only) each.'

**RESOLVED FURTHER THAT** Dr. B. Samal, Chairman of the Company and / or Mr. Bipin Agarwal, Director of the Company and / or Mr. T.M. Nagarajan, Director of the Company and / or Ms. Cumi Banerjee, CEO and Company Secretary of the Company be and are hereby jointly as well as severally authorized to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms with the Registrar of Companies, Mumbai in order to give effect to the above Resolution."

#### 10. Raising of Funds through Issue of 10% Compulsorily Convertible Preference Shares of the Company on Preferential Basis

To consider, and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the **"Companies Act"**) (including any statutory modification or re-enactment thereof for the time being in force), read with the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, where the Company's Equity Shares are listed, Guidelines for preferential issue contained in Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 as may be modified or re-enacted from time to time (hereinafter referred to as **"ICDR Regulations"**) the applicable rules, notification, guidelines issued by Government of India, Securities and Exchange Board of India (**"SEBI"**) and all other concerned statutory and other authorities and to the extent necessary, such other approvals, consents, permissions, sanctions and the like, as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, the Board of Directors of the Company (herein after referred to as **"the Board"**), which term shall be deemed to include any committee (as of the Board for the time being, exercising the power conferred to the Board) be and is hereby authorized on behalf of the Company to offer, issue and allot on preferential basis, in one or more tranches, to the persons set out in the table below (the **"Investors"**), upto 30,00,000 (Thirty Lakhs), 10% Compulsorily Convertible Preference Shares (**"CCPS"**) of face value of ₹10/- each at a price of ₹350/- (Rupees Three Hundred and Fifty Only) (i.e. including premium of ₹340/- per share), from time to time, in one or more lots to the Investors, being the price which is in accordance with the guidelines for Preferential Issue contained in Chapter VII of the ICDR Regulations to persons mentioned below on a Preferential basis:

Sr. No.	Name of the proposed Investors	Address of the Proposed Investors	Category
1.	N.N. Financial Services Private Limited	2J, 2nd Floor, DCM Building, 16, Barakhamba Road, New Delhi - 110001	Promoter
2.	Nimbus India Limited	313-315, Vikas Deep Building, District Centre, Laxmi Nagar, Delhi 110092	Promoter



**RESOLVED FURTHER THAT** the Compulsorily Convertible Preference Shares shall be issued by the Company on Preferential basis on the following terms and conditions:

- i) The CCPS shall be convertible into the resultant Equity Shares at any time, but not later than 18 (Eighteen) months from the date of allotment, in one or more tranches at a price of ₹ 350/- (Rupees Three Hundred Fifty Only) including premium of ₹ 340/- per share. Further such CCPS shall carry dividend @ 10%.
- ii) The CCPS to be issued on preferential basis to the above stated Investors (allottees) shall be locked in for a period as prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Equity Shares issued after conversion shall rank pari passu in all respects with the existing Equity Shares of the Company and shall carry from the date of conversion the right to receive proportionately dividends and other distributions declared / to be declared in respect of the equity capital of the Company and further such equity shares shall be subject to lock-in of three (3) years from the date of allotment. The lock-in of the Equity Shares acquired by conversion of the Convertible Preference Shares shall be reduced to the extent the Convertible Preference Shares have already been locked in from the date of allotment thereof.
- iii) The entire amount of consideration shall be paid at the time of allotment of CCPS.
- iv) The holders of such CCPS shall be entitled to convert any number of CCPS held by them, in one or more tranches, at any time before expiry of Eighteen (18) months from the date of allotment. For the purpose, the holder will give an advance notice of at least ten (10) days exercising the option of conversion specifying the number of convertible preference shares proposed to be converted into equity shares. Upon receipt of the conversion notice, the Board (or a committee thereof) shall allot appropriate number of equity shares to such holders.
- v) The CCPS will be compulsorily converted into Equity Shares before the expiry of 18 months, unless the holder of these preference shares have already exercised the option for conversion into equity shares before expiry of 18 months from the date of allotment subject to prevailing SEBI Regulations.
- vi) The CCPS by itself do not give to the CCPS holder any rights of the equity shareholders of the Company unless converted into resultant Equity Shares of the Company.
- vii) The resultant Equity Shares will be subject to Memorandum and Articles of Association of the Company in all respects.

**RESOLVED FURTHER THAT** the Relevant Date for the purpose of calculating the minimum price for the CCPS under Chapter VII of relevant SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is August 21, 2012, being the date 30 days prior to the date of passing of this Resolution.

**RESOLVED FURTHER THAT** the Equity Shares to be allotted on the conversion of the CCPS shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised, on behalf of the Company, to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid CCPS / Equity Shares to be issued upon exercise of rights(s) attached to such CCPS and listing thereof with the Stock Exchange(s), as may be appropriate, and to resolve and settle all question(s) or difficult(ies) or doubt(s) that may arise in connection with the proposed offer, issue and allotment of any of the said CCPS and / or the Equity Shares to be issued upon exercise of right(s) attached to such CCPS, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee formed thereof, or to any individual so authorized by the Board."

By Order of the Board of Directors  
For **Industrial Investment Trust Limited**

Cumi Banerjee  
CEO & Company Secretary

Mumbai : August 09, 2012

**Registered Office :**

14E, Rajabhadur Mansion, 2<sup>nd</sup> Floor,  
28, Bombay Samachar Marg  
Mumbai 400 001

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 13, 2012 to Thursday, September 20, 2012 (both days inclusive).
3. The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before October 19, 2012 to those shareholders or their mandates whose names stand on the Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before September 12, 2012 and in respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose as on the close of business hours on September 12, 2012.
4. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through Electronic Clearing Services (ECS) subject to availability of bank account details and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.  
  
Members holding shares in physical form and desirous of availing ECS facility, should provide the bank details and 9 digits MICR code number.
5. Members are requested to send all correspondences relating to shares including requests for transfer, change of address, change of status, change of mandate, Bank Account details to our Registrar and Share Transfer Agents: M/s. Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel. No.: 2596 3838. In respect of shares held in dematerialised mode, the shareholders should inform their concerned Depository Participant only.
6. In all the correspondences with the Company / Registrar and Share Transfer Agents, the members holding in physical form

are requested to quote their account / folio numbers and in case their shares are held in dematerialised form, they must quote their Client ID Number and DP ID Number.

7. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
8. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
9. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends in September, 1998 for the year ended March 31, 1995 to the General Revenue Account of the Central Government. Members concerned may, therefore, submit their claims in the prescribed form to the Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2<sup>nd</sup> Floor, Next to Reserve Bank of India, CBD, Belapur – 400 614.
10. In terms of section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). The Company has therefore, transferred unclaimed dividend on September 09, 2011 for the year ended March 31, 2004 to the IEPF Account of the Central Government. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
11. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents (RTA) of the Company.
12. Pursuant to the Circular No.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs on 'Green Initiative in Corporate Governance', Shareholders are requested to duly communicate their e-mail Id's to their respective DPs or RTA of the Company (A perforated form being attached in the Annual Report for the same).
13. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

**Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting [In pursuance of Clause 49 of the Listing Agreement]**

Name of the Director	Mr. T.M. Nagarajan	Dr. B. Samal	Mr. R.S. Loona	Mr. Venkatesan Narayanan
Date of Birth	14.09.1942	02.03.1943	21.09.1951	27.11.1955
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	03.02.2012	05.03.2008	09.03.2009	18.05.2009
Qualifications	M.Com, CAIIB	M.Sc. (Ag.), Ph.D (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune	B.Sc., LLB	B.Com.,
Expertise in specific functional areas	He started his career with Reserve Bank of India. Thereafter joined IDBI and eventually became its Dy. Managing Director. Also, he has served as long-term Advisor to Nigerian Bank at Lagos, Nigeria. Upon retirement from IDBI, he was appointed as a Whole Time Member of Securities and Exchange Board of India (SEBI). At present, he is a free lance Management Consultant.	He has more than 33 years of experience in the areas of Banking - Rural Credit, HRD, Security related Market and Industrial Finance. He has served as Chairman & Managing Director of Allahabad Bank and Industrial Investment Bank of India. He was also a member of Securities Appellate Tribunal (SAT).	He is a leading corporate lawyer with specialization in securities market, banking and finance, infrastructure projects, real estate and regulatory advice. He has served as Executive Director (Law) of Securities & Exchange Board of India (SEBI) for a period of about 4 years. He has also had a long stint with IDBI, a principal financial institution and two commercial banks.	He has over 18 years experience in senior management having worked with leading consulting companies and has experience spread over venture management / TEFS / Commercial Due Diligence and also in facilitating financial closure in respect of infra structure projects, including interacting with funding institutions and banks. He has consulting expertise in the infrastructure arena, having been associated with several projects covering roads and bridges, power, tourism, and urban infra structure. He has working knowledge and understanding of the nuances of the infrastructure field; he is presently a free-lance consultant and is advising a few Corporates.
Directorships held in other companies	<ol style="list-style-type: none"> <li>1. Indbank Merchant Banking Services Ltd.</li> <li>2. IDBI MF Trustee Company Ltd.</li> <li>3. Alpha Capital Management Pvt. Ltd</li> <li>4. IITL Projects Ltd.</li> <li>5. IIT Insurance Broking and Risk Management Pvt. Limited</li> <li>6. Capital Infra Projects Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Surana Industries Ltd.</li> <li>2. Jaiprakash Associates Limited</li> <li>3. Jaypee Infratech Limited</li> <li>4. Mayfair Hotels and Resorts Limited</li> <li>5. ARSS Infrastructure Projects Limited</li> <li>6. IITL Projects Limited</li> <li>7. IIT Insurance Broking &amp; Risk Management Pvt. Ltd.</li> <li>8. Vipul Limited.</li> <li>9. World Resorts Limited</li> <li>10. Capital Infraprojects Private Limited</li> <li>11. MRG Hotels Pvt. Limited</li> <li>12. T.K. International Limited</li> <li>13. Reliance Capital Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. IITL Projects Limited</li> <li>2. IIT Insurance Broking and Risk Management Pvt. Ltd.</li> <li>3. IIT Media &amp; Entertainment Pvt. Ltd.</li> <li>4. India Infoline Trustee Company Ltd.</li> <li>5. Kesar Terminals &amp; Infrastructure Limited</li> <li>6. MRG Hotels Pvt. Ltd.</li> <li>7. Asset Reconstruction Company (India) Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. IITL Projects Limited</li> </ol>
Committee position held in other companies	<b>Audit Committee</b> <ol style="list-style-type: none"> <li>1. Indbak Merchant Banking Services Ltd.</li> <li>2. IDBI MF Trustee Company Ltd</li> <li>3. IIT Insurance Broking and Risk Management Pvt. Ltd</li> <li>4. IITL Projects Limited</li> </ol>	<b>Audit Committee</b> <ol style="list-style-type: none"> <li>1. ARSS Infrastructure Projects Ltd.</li> <li>2. Mayfair Hotels &amp; Resorts Ltd.</li> <li>3. Vipul Limited</li> <li>4. Reliance Capital Limited</li> <li>5. Surana Industries Limited</li> <li>6. World Resorts Limited</li> <li>7. T.K.International Limited</li> </ol> <b>Share Transfer and Grievance Committee</b> <ol style="list-style-type: none"> <li>1. ARSS Infrastructure Projects Limited</li> </ol>	<b>Audit Committee</b> <ol style="list-style-type: none"> <li>1. IITL Projects Limited</li> <li>2. India Infoline Trustee Company Limited</li> <li>3. Kesar Terminals &amp; Infrastructure Limited</li> </ol> <b>Share Transfer and Grievance Committee</b> <ol style="list-style-type: none"> <li>1. IITL Projects Limited</li> </ol>	<b>Audit Committee</b> <ol style="list-style-type: none"> <li>1. IITL Projects Limited</li> </ol> <b>Share Transfer and Grievance Committee</b> <ol style="list-style-type: none"> <li>1. IITL Projects Limited</li> </ol>
No. of shares held in the company	NIL	NIL	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 6 TO 10 OF THE ACCOMPANYING NOTICE DATED AUGUST 09, 2012**

**Item No.6**

Mr. T.M. Nagarajan was appointed as an Additional Director by the Board of Directors on February 03, 2012. Mr. T.M. Nagarajan holds the office of Director only upto the date of forthcoming Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 along with a deposit of ₹500/- has been received by the Company from a member proposing the appointment of Mr. T.M. Nagarajan as a Director of the Company. The Board recommends the appointment of Mr. T.M. Nagarajan to the office of Director.

Except Mr. T.M. Nagarajan, no other Director is, in any way, concerned or interested in this Resolution.

**Item No.7**

The Board of Directors, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders, Central Government and other authorities, as may be applicable, at its meeting held on October 20, 2011, had unanimously approved re-appointment and the remuneration payable to Dr. B. Samal as Executive Chairman of the Company for a period of 1 year w.e.f. January 24, 2012 to January 23, 2013.

Pursuant to Section 302 of the Companies Act, 1956, an abstract of his appointment was sent to the shareholders of the Company on November 04, 2011.

Except Dr. B. Samal, no other Director is, in any way, concerned or interested in this Resolution.

**Item Nos.8 & 9**

The Authorised Share Capital of the Company presently stands at ₹35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of ₹10/- (Rupees Ten Only). Board of Directors has considered it necessary to reclassify the share capital of the Company into equity shares and preference shares to enable the Company to issue Preference Shares. So it is proposed to re-classify/split the Authorised Share Capital of the Company into 3,00,00,000 (Three Crores) Equity Shares of ₹10/- (Rupees Ten Only) each and 50,00,000 (Fifty Lakhs) Preference Shares of ₹10/- (Rupees Ten Only) each.

As re-classification of Share Capital requires amendment of the Capital clauses of Memorandum and Articles of Association of the Company, your Board recommends passing of the Resolutions proposed at Item Nos.8 & 9 of the accompanying Notice for your approval.

None of the Directors of the Company may be deemed to be concerned or interested in the said resolutions except to the extent to which they may participate in the re-classified shares.

**Item No.10**

The resolution is recommended to the shareholders of the Company for their approval pursuant to the provisions of Section 81, 81(1A) and other applicable provisions of Companies Act, 1956 and in accordance with Chapter VII of ICDR Regulations relating to preferential issue as amended up to date. Company plans to make Preferential Issue of 10% Compulsorily Convertible Preference Shares (CCPS) of the Company, not exceeding 30,00,000 CCPS, of face value of Rs. 10/- at a price of Rs.350/- per share (i.e. including premium of Rs.340/- per share) convertible at the sole option of the holders thereof at any time, in one or more tranches, within a period of 18 months from the date of allotment thereof, into resultant fully paid-up Equity Shares of the Company of face value of Rs. 10/- at a price of Rs.350/- per CCPS (the pricing which is determined in accordance with the SEBI Guidelines (as applicable). The details of the same are as under:

(a)	Relevant date and the price at which allotment is proposed	Relevant date in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for issue of upto 30,00,000 10% Compulsorily Convertible Preference Shares of the Company of face value of ₹ 10/- at a price of ₹350/- per share on preferential basis convertible into equivalent number of fully paid-up Equity Shares of face value of ₹10/- at a price of ₹350/- per CCPS, is August 21, 2012.
(b)	No. of Preference Shares proposed to be allotted on Preferential Allotment basis pursuant to Special Resolution passed under Section 81(1A) of the Companies Act, 1956.	Upto 30,00,000, 10% Compulsorily Convertible Preference Shares of the Company of face value of ₹ 10/- each convertible at the sole option of the holder thereof, at any time before expiry of 18 months from the date of Allotment thereof, into equivalent number of fully paid-up Equity Shares of the Company of face value of ₹10/- each.
(c)	Objects of the Issue	The purpose of the issue is to enable the Company to strengthen its financial position and net worth, as also augmenting long term resources. Further, to meet general corporate purposes including investments in profitable ventures and for meeting the working capital requirements as may be decided by the Board / Committee in the best interests of the Company.
(d)	Intention of the Promoters / Directors / Key management persons to subscribe to the CCPS	N.N. Financial Services Private Limited and Nimbus India Limited, Promoters, have expressed their intention to subscribe to CCPS.
(e)	Proposed time limit within which the allotment shall be completed	The CCPS are proposed to be allotted within 15 days of the passing of the Special Resolution approving their allotment. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority shall be completed within 15 days from the date of such approval.
(f)	Lock - in period	The CCPS shall be subject to lock-in for three (3) years from the date of allotment. The lock-in of the Equity Shares acquired by conversion of the Convertible Preference Shares shall be reduced to the extent the Convertible Preference Shares have already been locked in from the date of allotment thereof.
(g)	Consequential changes, if any, in the Management Control of the Company	The proposed preferential allotment shall not result in any change in Management Control of the Company.