

# **NEHA INTERNATIONAL LIMITED**

## **BOARD OF DIRECTORS**

*Chairman & Managing Director*

**Shri G. Vinod Reddy**

*Directors*

**Dr. G. Pramod**

**Shri Anil G. Nair**

**Shri P. Sarath Kumar**

*Vice President (Finance)*

**P. Srihari**

*Company Secretary*

**C. N. Bhavani Prasad**

*Auditors*

**M/s. Mathesh & Ramana.,**

Chartered Accountants

# 3-6-145, Himayathnagar, Hyderabad 500 029

*Bankers*

IndusInd Bank, Secunderabad Branch, Hyderabad

ICICI Bank, Begumpet Branch, Hyderabad

Union Bank of India, Khairatabad Branch, Hyderabad

*Regd. Office*

No. 6-3-1090/A/12 & 13,

501, Manbhum Jade Towers, Rajbhavan Road, Somajiguda,  
Hyderabad - 500 082, India. Tel : 040-66134759, Fax : 040 - 66136435

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## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the shareholders of the Company will be held on **Friday, the 30th day of December, 2011 at 11:00 A.M** at Bhaskara Auditorium, B.M.Birla Science Centre, Adarshnagar, Hyderabad-500 063 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider & adopt the Balance sheet as at 30th June 2011, Profit & Loss account for the period ended as on that date and the Auditors report and the Directors Report there on.
2. To appoint a Director in Place of Mr. G Pramod, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** M/s Mathesh & Ramana, Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this annual general meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors."

### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification 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 statutory modification or reenactment thereof for the time being in force) (the "Companies Act"), as also provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and rules and regulations made thereunder, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and applicable guidelines/regulations prescribed by the Securities and Exchange Board of India ("SEBI") and/or Reserve Bank of India ("RBI") and/or any other regulatory/statutory authority and clarifications thereon issued from time to time, whether in India or abroad, and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to the approvals, consents, permissions and/or sanctions of, if applicable including but not limited to, Government of India, RBI, SEBI, Foreign Investment Promotion Board ("FIPB") and/or all other authorities, institutions or bodies, within or outside India, (hereinafter collectively referred to as appropriate authorities) and subject to such terms, alterations, conditions, changes, variations and/or modifications as may be prescribed by any of them while granting such approval (hereinafter referred to as requisite approvals) and as agreed to by the Board of Directors (including any Committee duly authorized by the Board of Directors), the consent of the Company be and is hereby accorded to the Board, to create, offer, issue and allot in one or more tranche(s), in the course of domestic or international offerings or qualified institutional placements, with or without an over allotment/green shoe option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of Chapter VIII of the SEBI/ ICDR Regulations and/or a preferential issue and/or any other kind of public issue and/or private placement, equity shares, preference shares, secured or unsecured debentures, bonds, warrants or any other securities whether convertible into equity shares or not, including, but not limited to, Compulsorily Convertible Preference Shares ("CCPS") and/or Optionally Convertible Preference Shares ("OCPS") and/or Partially Convertible Preference Shares ("PCPS") and/or Non Convertible Preference Shares ("NCPS") and/or Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Non Convertible



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Debentures ("NCDs") with or without attached share warrants and/or Partly Convertible Debentures ("PCDs") and/or Optionally Convertible Debentures ("OCDs") and/or Fully Convertible Debentures ("FCDs") and/or bonds with share warrants attached which are convertible into or exchangeable with equity shares and/or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not as may be permitted by law (hereinafter referred to as "securities"), whether secured or unsecured, to be listed on any stock exchange inside India or any foreign/international stock exchange outside India if required, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee denominated or denominated in foreign currency, provided that the aggregate of the sums so raised, including premium, if any, shall not exceed **US \$ 50 million**, as the Board may determine in accordance with the SEBI Regulations and where necessary in consultation with the lead managers, underwriters, merchant bankers, guarantors, financial and/or legal advisors, rating agencies/advisors, depositories, custodians, principal paying/transfer/ conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and all other agencies/advisors."

**"RESOLVED FURTHER** that the securities to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the underlying equity shares shall rank paripassu in all respects with the existing equity shares of the Company including payment of dividend, if any, declared including other corporate benefits, if any, for the financial year in which the issue/offer/allotment has been made and subsequent years and shall have the same voting rights as the existing equity shares."

**"RESOLVED FURTHER** that in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue."

**"RESOLVED FURTHER** that the Board or any committee thereof be and is hereby authorised on behalf of the Company to finalise the pricing, terms and conditions relating to the issue of the securities and any other matter in connection with, or incidental to, the issue of the securities as the Board or any committee thereof, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto."

**"RESOLVED FURTHER** that the pricing of the securities and the pricing of any equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and SEBI regulations."

**"RESOLVED FURTHER** that the Board or any committee thereof be and is hereby authorised to appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/ conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, in connection with the proposed issue/offering/ allotment of the securities and to negotiate and finalise the terms and conditions (including the payment of fees, commission, brokerage, out of pocket expenses and their charges subject to requisite approvals of the RBI, if any) of the aforesaid appointments and also to, in its absolute discretion, renew or terminate the appointments so made and to enter into and execute all such agreements, arrangements, memoranda, documents etc. with such persons and to seek listing of such securities."

**"RESOLVED FURTHER** that the Board or any committee thereof be and is hereby authorised to determine the form, terms and timing of the issue(s)/offering(s)/allotment(s), including the investors to whom the securities are to be allotted, the proportion in which they are allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion or variation of the price or period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters and finalise and approve the preliminary as well as the final offer documents for the proposed issue of the securities as may be required by the authorities in such issues in India and/or abroad and to authorise any Director or Directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose

aforesaid to give such declarations, affidavits, certificates, consents or any other confirmation and/or authorities as may, in the opinion of such authorised person, be required from time to time.”

**“RESOLVED FURTHER** that the Company do apply for listing of any new securities issued with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited or any other stock exchange(s).”

**“RESOLVED FURTHER** that such of these securities as are not subscribed may be disposed off by the Board or any committee thereof, in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.”

**“RESOLVED FURTHER** that in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI Regulations shall only be to qualified institutional buyers within the meaning of Chapter VIII of the SEBI Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by SEBI Regulations from time to time and the Company shall apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI Regulations.”

**“RESOLVED FURTHER** that in case of a qualified institutional placement of equity shares pursuant to Chapter VIII of the SEBI Regulations, the relevant date for the determination of the price of the equity shares, shall be the date of the meeting of the Board or any committee thereof in which the decision to open the proposed issue is taken or such other time as may be allowed by SEBI Regulations from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations.”

**“RESOLVED FURTHER** that in the event securities convertible into equity shares are issued under Chapter VIII of the SEBI Regulations, the relevant date for the purpose of pricing of the equity shares to be issued on conversion, shall be the date of the meeting of the Board or any committee thereof in which the decision to open the proposed issue is taken or the date on which the holder(s) of securities which are convertible into or exchangeable with equity shares at a later date become(s) entitled to apply for the said shares or such other time as may be allowed by SEBI Regulations from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations.”

**“RESOLVED FURTHER** that for the purpose of giving effect to the above resolution, the Board or any committee thereof be and is hereby authorized to do all such acts, deeds, matters and things, as it may at its absolute discretion deems necessary or desirable for such purpose, including, without limitation:

- (a) finalisation of the allotment of the securities on the basis of the subscriptions received;
- (b) finalisation of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/ offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (c) appointing Lead Managers, Underwriters, Guarantors, Depositories, Registrars, Solicitors, Counsels, Custodians, Escrow Banks, Trustees, Bankers, Advisors and all such agencies and intermediaries, whether in India or abroad, as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like as it deems fit;
- (d) approval of the preliminary and final offering circulars/ prospectus/offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the Lead Managers/ Underwriters/ Advisors, in accordance with all applicable laws, rules, regulations and guidelines;
- (e) approval of the Deposit Agreement(s), the Purchase/ Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), GDRs/ADRs/FCCBs and other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (f) finalisation of the basis of allotment in the event of over subscription;



- (g) acceptance and appropriation of the proceeds of the issue of the securities;
- (h) authorisation of the maintenance of a register of holders of the securities, if so required, in India or abroad;
- (i) authorisation of any director or Directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;
- (j) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;
- (k) seeking the listing of the securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (l) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (m) deciding the pricing and terms of the securities, and all other related matters, including taking any action on conversion of securities, as per applicable laws, regulations or guidelines; and
- (n) creation of mortgage and / or charge in accordance with Section 293 (1) (a) of the Companies Act, 1956 in respect of securities as may be required either on paripassu basis or otherwise."
- (o) opening one or more bank accounts in the name of Company, including escrow account, special purpose accounts etc., in Indian currency or foreign currency(ies) which such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/ offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any;
- (p) making such applications to the relevant authorities and make the necessary regulatory filings in connection with the issue;
- (q) affixing the Common Seal of the Company on any agreement(s)/documents as may be required to be executed in connection with the above, in terms of Articles of Association of the Company;

**"RESOLVED FURTHER** that without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature."

**"RESOLVED FURTHER** that the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets."

**"RESOLVED FURTHER** that for the purpose of giving effect to the above resolutions, the Board or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities."

**"RESOLVED FURTHER** that the Board or any Committee thereof be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as appropriate authorities, inside or outside India, may impose at the time of their approval and as agreed to by the Board thereof."

**5. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution**

**Increase of borrowing powers of the Board of Directors up to ₹ 500 Crores**

**"RESOLVED** that the consent of the Company under the provisions of section 293(1)(d) of the Companies Act, 1956 be and is hereby accorded to the Board of Directors of the Company / Committee thereof to borrow monies from time to time, but so that the monies to be borrowed together with the monies already borrowed by the Company, for the time being (apart from temporary loans obtained from Company's bankers in the ordinary course of business) 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, but shall not exceed the amount of ₹ 500 Crores (Rupees Five hundred Crores only) at any one time."

**"RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board or a Committee thereof be and is hereby authorized to finalise, settle and execute such documents/deeds/writing/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowings as aforesaid.

Place: Hyderabad  
Date: 06.12.2011

For and on behalf of the Board  
For **NEHA INTERNATIONAL LIMITED**  
Sd/-  
**G . Vinod Reddy**  
Chairman & Managing Director



1. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item's No:2 above, are annexed.
2. A member entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be member of the Company. Proxies, in order to be effective, must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited Companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.
3. Members are requested to bring their copies of Annual report to the Annual General Meeting.
4. The register of Members and Share transfer books of the Company will be closed from **29th December 2011 to 30th December 2011** (both days inclusive)
5. Members holding shares in physical form are requested to inform any change in address immediately to the company's Registrar and Transfer agents, M/s XL Softech Systems Limited, #3, Sagar Society, Road No:2, Banjara Hills, Hyderabad-500 034. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant and not to the Company or the Company's Registrar and Share Transfer Agents
6. Members who hold the shares in dematerialized form are requested to write their Client ID and DPID on the Attendance slip for easy identification of attendance at the meeting
7. The statutory registers maintained under Sections 301 and 307 of the Companies Act, 1956 will be available at the venue for inspection by the members.
8. **Important Communication to Members:** The Ministry of Corporate affairs has introduced a "Green Initiative in the Corporate Governance" vide its circulars dated 21.04.2011 and 29.04.2011 by allowing the companies to service the notices/documents including Annual Report by way of e-mail to its members. This initiative is a step towards protection of environment and enabling faster communication with the members.

Accordingly the Company has proposed to serve all the documents to e-mail addresses of the members in coming years. The members are requested to support the green initiative of the Government by registering/updating their e-mail addresses with their concerned Depository participants (DP) to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to e-mail address to the Company either by e-mail at **complianceofficer@nehainternational.com** or by sending the communication to the registered office of the Company. If any member is interested to receive such document in physical form, a communication in this regard may be made to the Company.

## ANNEXURE TO THE RESOLUTION

### EXPLANATORY STATEMENT

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

##### Item No:4

The Company is planning substantial expansion and acquisition programme and to part finance the capital expenditure in respect of expansion and acquisition programme, general corporate expenditure and also to part finance the working capital requirements and overseas direct investment in Joint Ventures (JV)/Wholly Owned Subsidiaries (WOS) subject to the existing guidelines and in this connection, it is proposed to issue either equity shares, preference shares, debentures, bonds, warrants or other securities, including, but not limited to, Compulsorily Convertible Preference Shares ("CCPS"), Optionally Convertible Preference Shares ("OCPS") and/or Partially Convertible Preference Shares ("PCPS"), Non Convertible Preference Shares ("NCPS") and/or Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs"), Non Convertible Debentures ("NCDs") with or without attached share warrants and / or Partially Convertible Debentures ("PCDs") and / or Optionally Convertible Debentures ("OCDs") and / or Fully Convertible Debentures ("FCDs") and/or bonds with attached share warrants, including but not limited to a combination of the foregoing in one or more tranches to the eligible investors including but not limited to qualified institutional buyers under the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 ("SEBI Regulations"), such that the aggregate of the sums so raised by issuing equity shares, debentures, bonds and other securities, including premium, if any, shall not exceed **US \$ 50 million** as the Board/duly authorized Committee of the Board may determine in accordance with the SEBI Regulations and where necessary in consultation with the lead managers, underwriters, merchant bankers, guarantors, financial and/or legal advisors, rating agencies/advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and all other agencies/advisors.

To the extent that any part of the above mentioned capital raising plan includes issue of equity shares or securities linked to or convertible into equity shares of the Company, members' approval is being sought. As per provisions of Section 81 (1A) of the Companies Act, 1956, the Board of Directors/duly authorized Committee of the Board of Directors of the Company can issue and allot shares to any person other than existing members, provided that the members approve the same by way of a special resolution. The Listing Agreements executed by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the existing Shareholders unless the Shareholders in General Meeting decide otherwise. The equity shares, if any, allotted on issue, conversion of securities or exercise of warrants shall rank in all respects paripassu with the existing equity shares of the Company.

The consent of the shareholders is being sought by the special resolutions for approving an enabling authority in favour the Board/duly authorized Committee of the Board to issue Securities under the QIP category to the Qualified Institutional Buyers (the "QIB") in accordance with the provisions of the ICDR Regulations and to any other international or domestic investor inside or outside India, through public issues and/or private placement or a combination thereof.

The special resolutions seek the consent and authorization of the members to the Board/duly authorized Committee of the Board to make the proposed issue of securities, in consultation with the lead managers, advisors and other intermediaries and in the event it is decided to issue securities convertible into equity shares, to issue to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of the rules, regulations or guidelines.



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Pursuant to the above, the Board / duly authorized Committee of the Board thereof may, in one or more tranches, issue or allot equity shares/convertible warrants/GDRs/ADRs/FCCBs//any other securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board or duly authorized Committee of the Board thereof but not later than such time period as permitted under applicable law through public issues(s), right issues(s), private placements or any combination thereof.

The relevant date for the purpose of pricing of the Securities issued by way of QIP means:

- (i) in case of allotment of equity shares, the date of the meeting in which the board of directors of the issuer or the duly authorized Committee of Board of Directors of the issuer decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the board of directors of the issuer or the duly authorized Committee of Board of Directors of the issuer decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

The relevant date for the purpose of pricing of the Securities issued by way of GDRs/ADRs/FCCBs shall be the date of the meeting in which the Board / duly authorised Committee of Board of Directors of the issuer decides to open the issue or shall be the date as specified under the applicable law or regulation.”

The end usage of the proceeds of the above issue of equity and / or such other convertible securities shall be in accordance with the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time, Foreign Currency Exchangeable Bonds Scheme, 2008 as amended from time to time and ECB Guidelines and as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and as per the FDI Policy issued by the Department of Industrial Policy & Promotion as amended from time to time and any other regulatory authorities as amended from time to time.

The detailed terms and conditions for the offer will be determined in consultation with the Advisers, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

Your Board of Directors recommends the above enabling Resolution, as a Special Resolution for your approval in the best interests of the Company.

None of the Directors of the Company is concerned or interested in the proposed resolution.

#### **Item No:5**

The Company is at present authorized to borrow from the Financial Institutions / Banks (other than the borrowings in the ordinary course of business) in the form of term loan by way of issue of debentures (convertible and/ or non Convertible), foreign currency convertible bonds, external commercial borrowings etc., upto an amount of ₹ .125.00 Crores (Rupees One hundred and Twenty five Crores only) in accordance with the consent of the members of the Company at their meeting held on 17th March 2008. The existing borrowing powers of ₹ 125 Crores may not be sufficient and to enable the Company to raise funds from time to time through borrowings, therefore it is proposed to increase the limits of borrowing powers.

Approval of the shareholders is sought under Section 293 (1)(d) of the Companies Act, 1956 to increase the present borrowing powers from the present level of ₹ 125 Crores (Rupees One hundred and twenty Five Crores) to ₹ 500 Crores (Rupees Five Hundred Crores only)

Therefore, your Directors recommend the resolution for your approval.

None of the Director is interested or concerned in the aforesaid resolution.