

ANNUAL REPORT 2006-07

25

years of

VISION

DEDICATION

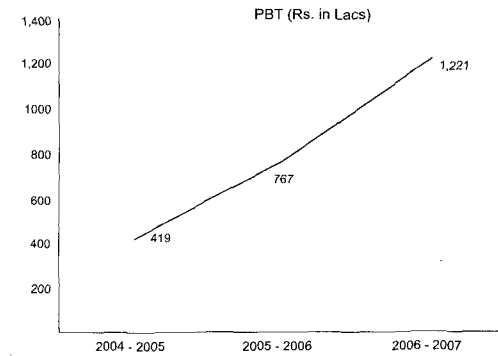
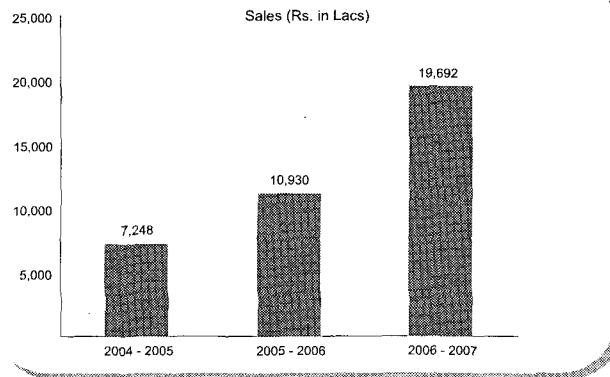
LEADERSHIP

GROWTH



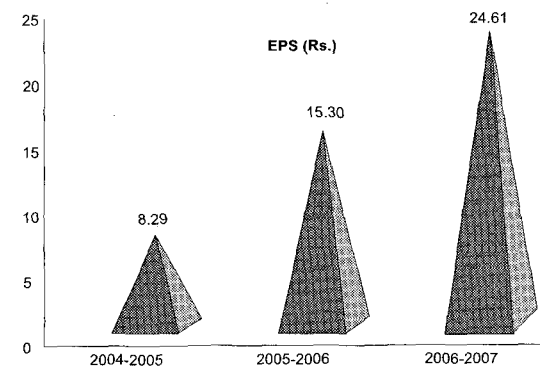
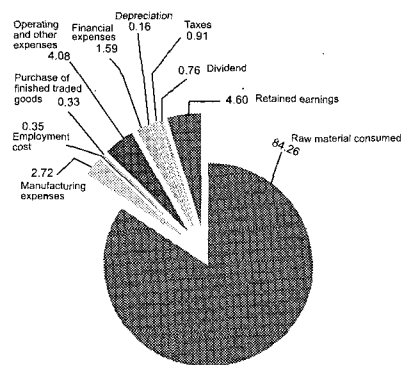
PANAMA PETROCHEM LIMITED

Working Results at a glance



2006-07

Analysis of Distribution of Income



**BOARD OF DIRECTORS**

MR. BADRUDIN KASAMALI	<i>Chairman - Director (Independent)</i>
MR. AMIRALI E. RAYANI	<i>Managing Director & C.E.O.</i>
MR. S. K. UKANI	<i>Whole time Director (Administration)</i>
MR. DILIP S. PHATARPHEKAR	<i>Director (Independent)</i>
MR. MADAN MOHAN JAIN	<i>Director (Independent)</i>
MR. M. V. ISANI *	<i>Director (Independent)</i>
MR. MUKESH T. MEHTA	<i>Director (Independent)</i>
MR. RAJENDRA V. THAKKER	<i>Director (Independent)</i>
MR. VAZIRALI E. RAYANI *	<i>Director</i>
MR. SALIMALI E. RAYANI *	<i>Director</i>
MR. AMIN A. RAYANI	<i>Director</i>
MR. SAMIR A. RAYANI	<i>Director</i>

(* Resigned with effect from
31st August, 2007)

SENIOR EXECUTIVES

MR. AKBERALI E. RAYANI	<i>Executive - Operations & Sales</i>
MR. P. V. NIKAM	<i>General Manager</i>
MR. D. N. CHAUHAN	<i>Manager - Plant, Ankleshwar</i>
MR. ANIL DIXIT	<i>Manager - Plant, Daman</i>
MR. S. R. SAWANT	<i>Manager - Plant, Mumbai</i>
MR. S. T. CHHATRIWALA	<i>Manager - Marketing (Lubricants)</i>
MR. ANIL DHOMSE	<i>Manager - Marketing (Speciality Products)</i>
MR. D. N. MORE	<i>Manager - Plant, Taloja</i>

COMPANY SECRETARY

MR. SANJAYA KHARE

AUDITORS

M/S. HABIB & COMPANY
Chartered Accountants, Mumbai

BANKERS

- INDIAN BANK • HSBC BANK • HDFC BANK
- CITI BANK • CANARA BANK • DBS BANK LIMITED
- STANDARD CHARTERED BANK
- DEVELOPMENT CREDIT BANK LIMITED

LISTED AT

BOMBAY STOCK EXCHANGE LTD.

CORPORATE OFFICE

5, Mahavir Darshan, 416 Narshi Natha Street,
Mumbai 400 009
Tel: 91-22-2342 7700, Fax: 91-22-2342 8702
E-mail: panama@vsnl.com

REGISTERED OFFICE

Plot No: 3303, G.I.D.C. Estate,
Ankleshwar - 393002, Gujarat.
Tel: 91-2646-221 068, Fax: 91-2646-250281
Website: www.panamapetro.com
Email: panamaoils@satyam.net.in

PLANTS

Ankleshwar, Daman, Taloja & Mumbai

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private limited
E-2, Ansa Industrial Estate, Sakinaka, Saki- Vihar Road, Andheri (E), Mumbai 400 072, Maharashtra.
Tel: 91-22-2847 3474, FAX: 91-22-2847 5207 • E-mail: info@bigshareonline.com

**25th ANNUAL GENERAL MEETING**

Date : 29th September, 2007
Day : Saturday
Time : 11.00 A.M.
Place : Conference Hall, Panama Petrochem Limited,
Plot No: 3303, GIDC Estate,
Ankleshwar-393 002, Gujarat

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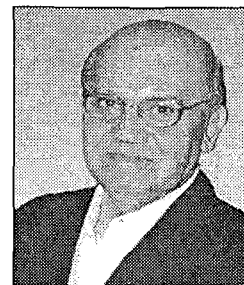
*** Corporate Mantra ***

*Never Doubt that
a small group of
thoughtful, committed citizens
can change the world.
Indeed, it is the
only thing that
ever has.*

— Margaret Mead



From The Desk of Managing Director & CEO



Amiral E. Rayani

Dear Valued Shareholders,

As you all are aware that your Company has successfully completed 25 years and now becomes young after crossing several important milestones along the way, for which I convey my heartily thanks to all of you for your valued long association with the Company.

Completing 25 years and entering into 26th year is a memorable event in anybody's life and we are entering into our 26th year, new arena of life, with a great aspire that your company will emerge as a significant player in the market.

The journey of 25 years has been a symphonic marathon as all our team have worked whole heartedly and showed spectacular results year after year. The Company has come across many transformations during these years and have witnessed many happy events.

PANAMA PETROCHEM LIMITED was incorporated as a Private Limited Company in the year 1982. Since then there was no looking back. The company was converted to a Public Limited Company in the year 1995, a listed company. Company ventured into many projects and spread its customers in International market also. The profits of the company have increased manifold from about 13 Lacs in the year 1999 to 10.49 Crores in the current year.

A great Corporation must live hundreds of years and therefore we are still babies. These past years have taught us several lessons to grow steadfast with dedication and clear vision which are valuable for our future journey.

I would like to take this opportunity to express my gratitude to the Board, Customers, Suppliers, Bankers, Employees and definitely our valued Shareholders for their continuous support and confidence.

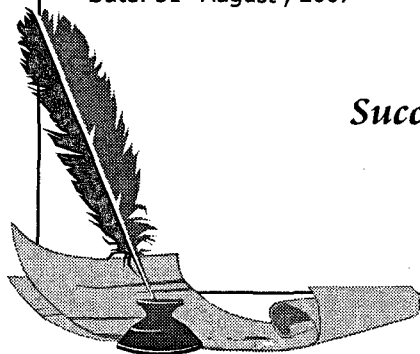
With best wishes,
Sincerely,

Amiral E. Rayani
Managing Director & CEO

Date: 31st August , 2007

Successful Completion of 25 Years of Journey !!!

Celebrating our past and claiming our future





Notice

Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of **PANAMA PETROCHEM LIMITED** will be held at the Conference Hall of the Registered Office of the Company at Plot No. 3303, G.I.D.C. Estate, Ankleshwar - 393 002, Gujarat, on Saturday, 29th September, 2007 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2007 and Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Samir A. Rayani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajendra V. Thakker, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s Habib & Company, Chartered Accountants, be and are hereby appointed as 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."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections **81 (1A)** and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), provisions of the Memorandum and Articles of Association of the Company, and subject to the rules / regulations / guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI"), the Stock Exchanges where the shares of the Company are listed (including provisions of the listing agreement with them), or any appropriate/statutory authority and also subject to such approvals, permissions, sanctions and consents as may be necessary and required from the Government of India, the Reserve Bank of India (hereinafter referred to as "the RBI"), Foreign Investment Promotion Board (hereinafter referred to as "FIPB"), Secretariat for Industrial Assistance (hereinafter referred to as "the SIA"), and /or under Foreign Exchange Management Act, 1999 (hereinafter referred to as "FEMA") and all other appropriate authorities and institutions, under applicable legislation, rules, regulations, guidelines and contracts for the time being in force, and subject further to such other terms, conditions, stipulations, alterations, amendments, modifications or variations as may be required, specified or suggested by any of the concerned authorities or bodies; which terms, conditions, stipulations, alterations, amendments, modifications or variations, the Board of

Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), is authorised to accept as it may deem fit; consent and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more lot(s), on preferential basis, not exceeding **4,25,000 (Four Lacs Twenty Five thousand)** warrants carrying an option/entitlement to subscribe to equivalent number of Equity Shares of Rs.10/- each on a future date, not exceeding 18 (Eighteen) months from the date of issue of such warrants, to the following individuals who are part of the promoter group :

Sr. No.	Name of the Proposed Allottees	Maximum No. of Convertible Warrants to be allotted
1.	Amirali E. Rayani	1,00,000
2.	Amin A. Rayani	1,00,000
3.	Arif A. Rayani	50,000
4.	Samir A. Rayani	50,000
5.	Hussein V. Rayani	50,000
6.	Iqbal V. Rayani	50,000
7.	Mallika V. Rayani	25,000
Total		4,25,000

RESOLVED FURTHER THAT the terms and conditions of the aforesaid warrants shall be as under:

- a. The said warrant shall have face value of such sum which will not be less than 10% of the price of the share to be issued in surrender / exchange of each such warrant, in terms of this resolution and SEBI Guidelines for Preferential Issue (Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000).
- b. Each of the said warrant shall carry a right, entitling its registered owner to apply for at his/her option, and seek allotment of one equity share upon surrendering/exchanging of such warrant to the Company along with the balance remaining of the issue price of the equity share.
- c. The price including premium, of the Equity Share to be allotted shall be not less than Rs. 150/- (Rupees One Hundred and Fifty Only) per Equity Share of Rs. 10/- each or the price as may be determined as per SEBI Guidelines for Preferential Issue (Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000) considering **30th August, 2007** as a relevant date which is 30 days prior to this Annual General Meeting.
- d. The application for shares against surrender/exchange of the warrant shall be made within such time as may be fixed by the Board of Directors of the Company at its discretion, but in any case, not later than 18 months from the date of issue of such warrants by the Company.
- e. In case the warrant holder do not apply for the shares of the Company against surrender/exchange of warrants as aforesaid within the time that may be fixed by the Board of Directors in this regard, then the amount paid on each such warrant shall be forfeited; and the warrant and all the rights attached to the same shall lapse automatically.
- f. Upon surrender/exchange of each such warrant, the amount paid up thereon shall be credited, adjusted and applied towards share application money for which the holder of the warrant is entitled to apply.



- g. The equity shares to be offered, issued and allotted as aforesaid upon surrender/exchange of the warrant and exercise of the option by the warrant holder shall be subject to the provisions of the Memorandum and Article of Association of the Company in all respects, the said warrants and the shares shall be subject to lock-in for such period that may be prescribed under the SEBI Guidelines for Preferential Issue.
- h. The warrant by itself shall not give to the holder thereof any rights of the shareholders or debenture holders of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide the other terms of issue, offer and allotment of the aforesaid warrants and the equity shares resulting from the exercise of the entitlement of the warrant of the warrant holders; PROVIDED THAT the aforesaid warrants and the equity shares resulting from the exercise of the entitlement of the warrant holders under this resolution shall be made fully paid-up at the time of their allotment.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director or any other officer(s) of the Company; AND for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorised in this regard by the Board/Committee, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/ matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilisation of the proceeds of the issue of shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as required for the allotment and listing on one or more stock exchanges of the shares to be issued aforesaid or, such other steps that are incidental and ancillary in this regard and to do, make or accept such alterations, modifications, variations in the foregoing or cancellation of issue of warrants, as may be considered desirable or expedient by the Board / Committee/ such authorised person in the best interest of the Company and its shareholders."

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

"RESOLVED THAT pursuant to the provision of Sections 198, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the Company be and is hereby accorded for increase in remuneration payable to Mr. S. K. Ukani, as the Whole Time Director (Administration) from Rs.25,000/- per month to Rs.30,000/- per month in the scale of Rs.25,000 – 50,000/- with authority to the Board of Directors of the Company to grant such increments within the said scale as it may consider appropriate from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration and perquisites including the monetary value thereof as specified above, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with the provisions of the Companies Act, 1956 or schedules appended thereto, for the time being in force or any statutory modification or re-

enactment thereof and/or any rules or regulations there under and to do all acts, deeds and things as may be necessary to carry on the purpose of this resolution."

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

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 30th September 2005, the Board of Directors of the Company be and is hereby authorised pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to borrow from time to time, as they may think fit, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate, for the time being 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 however, the total amount so borrowed in excess of the aggregate of the paid up capital of the Company and its free reserves and shall not at any one time exceed Rs. 500.00 Crores (Rupees Five Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Board of Directors be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid."

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

"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 30th September, 2005 and pursuant to the provisions of Section 293(1)(a) 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), consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge, in addition to the mortgage / charges created / to be created by the Company, in such form and manner and with such ranking as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document entered into / to be entered into and at such time and on such terms as the Board may determine, all or any of the movable and / or immovable properties of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s) / Agents(s) and Trustee / Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and Securities (comprising Fully / Partly Convertible Debenture and / or Non-Convertible Debentures with or without detachable or non-detachable Warrants and / or Secured



Premium Notes and / or Floating Rates Notes / Bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase between the Company and the Lender(s) / Agent(s) and Trustee / Trustee(s), in respect of the said loans / borrowings/ debentures and containing such specific terms and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors thereof and the Lender(s) / Agent(s) / Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Board of Directors be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid."

By Order of the Board of Directors

Place : Mumbai

Sanjaya Khare

Date : 31st August, 2007

Company Secretary

Registered office:

Plot No. 3303, G. I. D. C. Estate,
Ankleshwar - 393 002, Gujarat

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form should be lodged with the company at its registered office at least 48 hours before the commencement of the meeting.
2. Explanatory statement pursuant to Sections 173 (2) of the Companies Act, 1956, in respect of the special businesses proposed to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 25th day of September, 2007 to Saturday the 29th day of September, 2007 (both days inclusive).
4. Payment of dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable to those Shareholders whose names stand on the Register of Members of the Company as on 25th September, 2007. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. Dividend will be paid within 30 days from the date of declaration of dividend.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Wednesday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.

6. Members desirous of obtaining any information as regards accounts and operations of the Company, are requested to write at least one week before the meeting so that the same could be complied in advance.
7. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.

ANNEXURE TO THE NOTICE

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

Item No. 6

Your Company has embarked upon a growth path and has initiated various measures to augment long-term capital to drive business growth. To part finance the capital requirement, it is proposed to issue warrants on preferential basis to the promoters as per the details given in the special resolution.

The offer, issue and allotment of warrants to the individuals of promoters group, each carrying a right to apply for one equity share of the Company in exchange of the said warrants shall be completed within the prescribed period of Fifteen days from the date of passing of the special resolution in accordance with the guidelines of the Securities & Exchange Board of India (SEBI) for Preferential Issue, being Chapters XIII to the SEBI (Disclosure and Investor Protection) Guidelines, 2000. The said warrants shall have such face value and shall be subject to such terms and conditions, as are stated in the proposed special resolution at item no.6 of the Notice.

The certificate from the Statutory Auditors, certifying that the issue of the warrants convertible into Equity shares on the above terms in accordance with the SEBI guidelines as in force on the date of this notice, will be placed before the Annual General Meeting where this resolution pertaining to preferential allotment of Securities will be considered.

The information as required under SEBI (Disclosure and Investor Protection) Guidelines, 2000 are as under:

i) Objects of the issue:

To mobilize the resources to augment the long term working capital requirement and capital expenditure for the expansion plan / programme of the Company.

ii) Intention of Promoters / Directors / Key Management persons to subscribe to the offer:

The following individuals who are part of the promoter group/ directors of the Company have conveyed to the Company in writing of their respective to acquire Convertible Warrants of the Company on preferential basis as proposed under special resolution at item no. 6 of the notice.

Sr. No.	Name of the Proposed Allottees	Maximum No. of Convertible Warrants to be allotted
1.	Amirali E. Rayani	1,00,000
2.	Amin A. Rayani	1,00,000
3.	Arif A. Rayani	50,000
4.	Samir A. Rayani	50,000
5.	Hussein V. Rayani	50,000
6.	Iqbal V. Rayani	50,000
7.	Mallika V. Rayani	25,000
Total		4,25,000



iii) Shareholding Pattern before and after the offer:

Sr. No.	Category	Before issue of Equity shares against existing warrants issued on preferential basis and before issue of Equity shares against the proposed warrants to be issued on preferential basis		After issue of Equity shares against existing warrants issued on preferential basis but before issue of Equity shares against the proposed warrants to be issued on preferential basis		After issue of Equity shares against existing warrants issued on preferential basis and after the issue of Equity shares against the proposed warrants to be issued on preferential basis	
		No. of shares held	% of share-holding	No. of shares held	% of share-holding	No. of shares held	% of share-holding
(A)	Shareholding of Promoter and Promoter Group						
1	Indian Individuals						
	* Mr. Amirali E. Rayani	90300	2.12	90300	1.90	190300	3.67
	* Mr. Amin A. Rayani	109814	2.58	109814	2.31	209814	4.04
	* Mr. Arif A. Rayani	88800	2.08	88800	1.86	138800	2.68
	* Mr. Samir A. Rayani	230461	5.41	230461	4.84	280461	5.41
	Mr. Hussein V. Rayani	0	0.00	0	0.00	50000	0.96
	* Mr. Iqbal V. Rayani	22356	0.52	22356	0.47	72356	1.39
	* Mrs. Mallika V. Rayani	125100	2.94	125100	2.63	150100	2.89
	Others	926200	21.73	926200	19.45	926200	17.86
2	Bodies Corporate	328350	7.70	328350	6.90	328350	6.33
3	Foreign	0	0.00	0	0.00	0	0.00
	Sub Total (A1 + A2 + A3)	1921381	45.08	1921381	40.35	2346381	45.24
(B)1	Public Shareholding Institutions						
(a)	Mutual Funds/UTI	13800	0.32	13800	0.29	13800	0.27
(b)	Financial Institutions/Banks	300	0.01	300	0.01	300	0.01
(c)	Central Govt./State Govt.	0	0.00	0	0.00	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	0	0.00	0	0.00
(f)	Foreign Institutional Investors	162368	3.81	162368	3.41	162368	3.13
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00	0	0.00
	Sub Total B(1)	176468	4.14	176468	3.71	176468	3.40
(B)2	Non Institutions						
(a)	Bodies Corporate	339441	7.96	339441	7.13	339441	6.54
	AcmeCraft Private Limited	0	0.00	500000	10.50	500000	9.64
(b1)	Individuals-shareholders holding normal Share capital upto Rs 1 Lac	1078206	25.30	1078206	22.64	1078206	20.79
(b2)	Individuals-shareholders holding normal Share capital in excess of Rs 1 Lac	708810	16.63	708810	14.88	708810	13.67
(c)	Any other	0	0.00	0	0.00	0	0.00
(c1)	Clearing Member	11232	0.26	11232	0.24	11232	0.22
(c2)	NRI	26462	0.62	26462	0.56	26462	0.51
	Sub Total B(2)	2164151	50.78	2664151	55.95	2664151	51.36
	Total Public Share Holding B(1) + B(2)	2340619	54.92	2840619	59.65	2840619	54.76
	TOTAL (A)+(B)	4262000	100.00	4762000	100.00	5187000	100.00

**Notes :**

- * The pre holding of the proposed allottees also include their joint holding with other Individuals, who belongs to the Promoters Group of the Company.
- The Company has issued & allotted 500,000 warrants convertible into even no. of Equity shares to M/s. AcmeCraft Private Limited on 10th July 2006, pursuant to the shareholders approval at the Extra-Ordinary General Meeting held on 26th June, 2006 and the said warrants are outstanding for conversion.
- The above Shareholding Pattern is prepared assuming the full allotment up to approved amounts.
- Shareholding Pattern before and after the offer is based on shareholding pattern as on 24th August 2007
- The proposed preferential allotment will not result in any change in the management control. Voting right shall change according to the change in shareholding pattern mentioned in table (iii).

iv) Proposed time within which the allotment shall be completed :

The allotment of warrants and dispatch of warrant certificates as proposed under Special Resolution at item No. 6 of the Notice will be completed within the period of Fifteen days from the date of passing of the said resolution.

v) The Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

The proposed allottees for 4,25,000 (Four Lacs Twenty Five thousand) Equity shares of Rs.10/- (Rupees Ten Only) as a result of exercise of option attached to the warrants issued pursuant to special resolution at item No. 6 of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per the said resolution are as under:

Sr. No.	Category	Before issue of Equity shares against existing warrants issued on preferential basis and before issue of Equity shares against the proposed warrants to be issued on preferential basis		After issue of Equity shares against existing warrants issued on preferential basis but before issue of Equity shares against the proposed warrants to be issued on preferential basis		After issue of Equity shares against existing warrants issued on preferential basis and after the issue of Equity shares against the proposed warrants to be issued on preferential basis	
		No. of shares held	% of share-holding	No. of shares held	% of share-holding	No. of shares held	% of share-holding
	Promoter and Promoter Group						
1.	Mr. Amirali E. Rayani	90300	2.12	90300	1.90	190300	3.67
2.	Mr. Amin A. Rayani	109814	2.58	109814	2.31	209814	4.04
3.	Mr. Arif A. Rayani	88800	2.08	88800	1.86	138800	2.68
4.	Mr. Samir A. Rayani	230461	5.41	230461	4.84	280461	5.41
5.	Mr. Hussein V. Rayani	0	0.00	0	0.00	50000	0.96
6.	Mr. Iqbal V. Rayani	22356	0.52	22356	0.47	72356	1.39
7.	Mrs. Mallika V. Rayani	125100	2.94	125100	2.63	150100	2.89
	Total	666831	15.65	666831	14.00	1091831	21.05

The proposed resolution is an enabling resolution conferring authority on the Board of Directors to cover all the present and future contingencies and corporate requirements in terms of Section 81 (1A) of the Companies Act, 1956 and the listing agreement entered into with Stock Exchange(s), new shares are first to be offered on pro – rata basis to the existing shareholders of the Company, unless the shareholders at a General meeting decides otherwise by Special Resolution. Accordingly, consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the listing agreement executed by the Company with the Stock Exchange(s) where its shares are listed.

Your Directors recommend the said resolution for your approval as Special Resolution.

Except Mr. Amirali E. Rayani, Mr. Amin A. Rayani & Mr. Samir A. Rayani, none of the directors are concerned or interested in the proposed resolution.