

RISHAB SPECIAL YARNS LIMITED

26th Annual Report 2013-14

BORD OF DIRECTORS :

**SHRI AMITABH HIRAWAT
SHRI CHANDRA MOHAN KHANDELWAL
SHRI PRADEEP LOIWAL
SHRI KAMAL KISHORE KALANI**

AUDITORS :

**JAIN SHRIMAL & CO.
CHARTERED ACCOUNTANTS**

REGISTERED OFFICE :

2070, RASTA BARA GANGORE

JAIPUR - 302 003

Tel. & Fax No. : 0141-2575213

Email : rsyltd@gmail.com

Website : www.rishabspecial.com

CIN : L17114RJ1987PLC004067

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **RISHAB SPECIAL YARNS LIMITED** will be held at Regd. Office at 2070, Rasta Bara Gangore, Johari Bazar, Jaipur - 302003 on **Friday, 28th November, 2014 at 12.00 Noon.** to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at **March 31, 2014** and the Profit and Loss Account for the year ended **March 31, 2014** and the Report of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Shri Chandra Mohan Khandelwal, (holding DIN 00420235), who retiring by rotation in accordance with sec. 152 of the companies Act, 2013 and being eligible offers himself for Reappointment.
3. To appoint Auditor 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, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, the retiring Statutory Auditor M/s. Jain Shrimal & Co., Chartered Accountants, having firm registration No. 001704C Allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 26th Annual General Meeting for term of consecutive three years till conclusion of the 29th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

4. To appoint Shri Kamal Kishore Kalani , (holding DIN 02275473) as an Independent Director and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Kamal Kishore Kalani , (holding DIN 02275473), has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Act, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 26th this AGM up to 31st AGM."

5. To appoint Shri Pradeep Kumar Loiwal, (holding DIN 00403719) as an Independent Director 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Pradeep Kumar Loiwal, (holding DIN 00403719), has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Act, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 26th AGM 2014 up to the 31st AGM."

6. To consider & if thought fit, to pass with or without modification the following resolution as an Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any, (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 hypothecate, mortgage, create charge or lien and/or other encumbrances, in such form and manner and with such ranking as the Board of Directors of the company may considered fit, on all or any of the moveable and/or immovable assets/properties of the company and/or whole or substantially the whole of undertaking of the company both present and future, in favour of the any lenders for securing of any sum of money (whether in foreign currency and/or in Indian currency) borrowed or to be borrowed by the Company/Group Companies/ Associate entities upto an aggregate of limit of Rs. 100.00 Crores (Rupees One Hundred Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions and execute such agreements, deeds, documents, instruments and writing, promissory notes, deposit receipts etc, for creating the aforesaid hypothecation, mortgage and/or charge and/or other encumbrances, if any, by the company and to any other amendments thereto from time to time as they may think fit for the aforesaid purpose.

RESOLVED FURTHER THAT any one Director of the company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution and to execute, sign and file necessary documents/ e-forms with the concerned Registrar of Companies.”

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

RESOLVED THAT pursuant to the provisions of Section 180 (1)(c) of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof, for the time being in force) consent of shareholders of the company be and is hereby accorded to the Board of Directors of the company to borrow, from time to time at the discretion of the Board for the business purpose, any sum or sums of money in any form whether in Indian or foreign currency or by way of debentures/bonds etc., whether secured or unsecured, from any Bank(s)/Financial Institution(s) or other institutions/, firms, Body Corporate(s) or any other person(s), notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the company, (apart from temporary loans obtained/to be obtained from the Company’s bankers in the ordinary course of the business) over and above the aggregate of the paid up share capital and free reserves of the company, provided that, the sum(s) to be borrowed together with already borrowed sum(s), in aggregate, at any time shall not exceed Rs 100.00 Crores (Rupees One Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, securities or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution and to execute, sign and file necessary documents/ e-forms with the concerned Registrar of Companies.

8. Issue of Equity Shares on preferential basis to Non – Promoters of the company

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

“RESOLVED THAT pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification thereto or re-enactment thereof for the time being in force) and pursuant to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI Regulations**”) as in force and subject to all other applicable rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India (“**SEBI**”), the applicable provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”), rules, regulations, guidelines, notifications and circulars issued under FEMA and provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchange, Reserve Bank of India

("RBI") and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized at its absolute discretion to create, offer, issue and allot, upto 14,35,000 Equity shares of Rs. 10/- (Rupees Ten only) each fully paid up, in one or more tranches on preferential basis, to the Investors, who are Non Promoters, for cash at a price which shall not be lower than the price determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, the details are of which are as under.

S.No.	Name of the Investors	No of shares to be allotted
1.	Klassik vinyl Products Private Limited	9,95,000
2.	Hem Financial Services Limited	4,40,000
	Total	14,35,000

RESOLVED FURTHER THAT:

The relevant date for the purpose of issue of Equity Shares as per Chapter VII of the SEBI (ICDR) Regulations, 2009, as amended upto date, for determination of the applicable price of equity shares is 29th October, 2014, i.e. the day 30 days prior to the date of Annual General Meeting to be held, in terms of Section 62 of the Companies Act, 2013, to consider the proposed issue."

- A. The Offer, Issue and Allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide.
- B. The allotment of Equity Shares is proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the Annual General Meeting. In case the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority including Stock Exchange where the shares of the Company are listed or the Central Government then the allotment shall be completed within 15 days from the date of receipt of such approval.
- C. The Equity shares to be allotted to the Non-Promoters on a preferential basis as set out in the resolution shall be locked in for a period of one year as per requirements of SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of shares as may be required or as may be necessary in accordance with the terms of the offer, and all such equity shares shall be ranking *pari passu* and *inter-se* with the existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment, listing thereof with stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue, allotment, utilization 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 shareholders 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 be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee or Sub-Committee of Directors or the Chairperson or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution, with the power to such Committee/sub-Committee of the Board to further delegate all or any of its powers/duties to any of its members."

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

To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

FOR AND ON BEHALF OF THE BOARD

(AMITABH HIRAWAT)

MANAGING DIRECTOR (DIN 00349697)

Registered Office :

2070, Rasta Bara Ganagore,

Jaipur - 302003 CIN : L17114 RJ1987 PLC004067

Dated : 3/11/2014

NOTE :-

1. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself. A proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of proxy in order (duly completed & signed) to be effective must reach at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority authorizing their representative to attend and vote at the Annual General Meeting.
4. A proxy shall not vote except on a poll. A proxy form is appended with the admission slip.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. Member seeking any clarification on account of the company are requested to send their query in writing to the company at registered office addressing to Managing Director or through e-mail at rsyltd@gmail.com. The query must reach to the company either by mail or e-mail at least seven working days before the date of AGM (excluding the date of AGM).
7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 24th November, 2014 to Friday 28th November, 2014 (both days inclusive)
8. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting Members are, therefore, requested to bring the copies of Annual Report.
9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository.
10. Members are requested to send all their communications pertaining to shares & notify change in their address/mandate/bank details to The Registrar & Share Transfer Agent, M/s. System Suport Services. to facilitate better servicing.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to The Registrar & Share Transfer Agent, M/s. System Suport Services, for their doing the needful.

12. In furtherance of the Green Initiative and Section 101 of the Companies Act, 2013 read with Rule 18(3) (i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014, the Company urges the Members to register their email address with the Company and / or its Registrar and Share Transfer Agent, M/s. System Suport Services, for receiving the Annual Report and Accounts, Notices etc. in electronic mode. The Form for such registration is being attached with the Annual Report. In future all the Annual Report and Accounts, Notices and other communications etc. will be sent in electronic mode to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same. Positive consent letter is attached to the Notice being sent to the Members for giving consent to receive documents in electronic mode.
13. In future electronic copy of the Notice of General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.
14. Members are advised that it is mandatory to furnish copy of PAN Card both side signed as self attested in the following cases:
 - (i) Transferees' PAN Cards for transfer of shares,
 - (ii) Legal heirs' PAN Cards for transmission of shares,
 - (iii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder and
 - (iv) Joint holders' PAN Cards for transposition of shares.

Members may also note that the Notice of the Annual General Meeting and the Annual Report 2013-2014 will also be available on the Company's website <http://www.rishabspecial.com> for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id : rsyltd@gmail.com

15. Messrs Jain Shrimai & Co., Chartered Accountants, the Statutory Auditors of the company, have certified that the said preferential issue is in accordance with the requirements contained in SEBI (Issue of Capital and Disclosene Requirements) Regulations, 2009.
16. As required under clause 49 (vi) of the Listing Agreement, brief resume including experience, other Directorship and Committee membership of the person proposed for reappointment as director is given below :

	SHRI KAMAL KISHORE KALANI	SHRI PRADEEP KUMAR LOIWAL	SHRI CHANDRA MOHAN KHANDELWAL
Date of Birth	09.07.1962	12.06.1957	14-11-1956
Date of Appointment	20.07.2011	14.12.2006	11-07-2011
Education	B.Com., F.C.A.	B.E.	B.Com., L.L.B.
Experience	27 Years in Profession	35 Years in Business and Industry	30 Years in Business
Other Directorship	Nil	Thar Akshay Urja Pvt. Ltd.	Shree Shine Glass Stones Pvt. Ltd., Shree Jai Glass Co. Pvt. Ltd.
Committee membership	2	3	Nil
Committee Chairmanship	1	Nil	Nil
Shareholding in RSYL			
on 31 st March, 2014	Nil	Nil	47810

17. Process and manner for members opting for E-voting.

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- II. Similarly, members opting to vote physically can do the same by remaining present at the meeting and should exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

III. The instructions for e-voting are as under:

- (i) The e-voting period begins on the **"Saturday, 22.11.2014" from 9.30 A.M. and ends on the "Monday" 24.11.2014 till 6.00 P.M.** During this period, share, holding shares either in physical form or in dematerialized form, as on **Cut-Off Date (Record Date) of 7th November** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "Rishab Social Yarns Limited." from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company /Depository Participant are requested to use the first three letters of their name and the 7 characters folio.
DOB #	Enter the Date of Birth as recorded in your demat account maintained with the DP registered with CDSL. Physical shareholders and demat shareholders with NSDL DP will enter date of Birth as 01/01/1990
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said
Bank Details	demat account or folio. Please enter the D.O.B. or Dividend Bank Details in order to login. If the details are not recorded
#	with the depository or company please enter the member id/folio number in the Dividend Bank details field.

Please enter any one of the details in order to login.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the relevant EVSN for "Rishab Special Yarns Limited." on which you choose to vote.
- (xiii) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **Cut-Off Date (Record Date) of Friday, 7th November 2014**.
19. Mr. Pradeep Pincha, A Practicing Company Secretary, FCS No. 5369 and C.P. Membership No. 4426 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
20. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. The Results shall be declared on or after the Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting (AGM) of the Company on 28th November, 2014 and communicated to the Stock Exchange(s).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

PURSUANT TO SECTION 102 OF THE COMPANIES Act, 2013 ('The ACT'), the following explanatory statements sets out all material facts relating to the business mentioned under items No. 3 to 9 of the accompanying notice dated 3rd November, 2014.

To Resolution No. 3.

The statutory Auditors, M/s. Jain Shrimal & Company, retiring at this 26th AGM have expressed their willingness to be re-appointed as the auditors of the Company.

The Audit Committee has considered the qualifications and experience of the auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the Ordinary Resolution appointing M/s. Jain Shrimals & Co., Chartered Accountants, as statutory auditors of the company to hold office from the conclusion of this 26th Annual General Meeting for term of consecutive three years till conclusion of the 29th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting)

A written consent has been received from the auditor together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

To Resolution No. 4.

Shri Kamal Kishore Kalani , (holding DIN 02275473) has been Non-Executive Independent Director of the Company and has held the positions as such from 20.07.2011.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and thereafter the matter was placed before the Nomination & Remuneration Committee, which commends & approved his appointment as Independent Director.

In the opinion of the Board, Shri Kamal Kishore Kalani , (holding DIN 02275473) is independent of the management and fulfills the conditions for appointment as Independent Director as specified in the Act, the Listing Agreement and the Rules made there under. Further, it is proposed to appoint Shri Kamal Kishore Kalani , (holding DIN 02275473) as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for five consecutive years for a term up to 31st AGM.

Shri Kamal Kishore Kalani , (holding DIN 02275473) is not disqualified from being appointed as Director in terms of Section 164 of the Act and he has given his consent to act as Director. The Company has also received declarations from Shri Kamal Kishore Kalani , (holding DIN 02275473) that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The terms and conditions of appointment of Shri Kamal Kishore Kalani , (holding DIN 02275473), pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

The Company and Shri Kamal Kishore Kalani , (holding DIN 02275473) shall abide by the provisions specified in Schedule IV of the Act, and shall be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment, reappointment, resignation or removal, separate meetings and evaluation mechanism as provided therein.

Shri Kamal Kishore Kalani , (holding DIN 02275473) is interested and concerned in the Resolution mentioned at Item No.4 of the Notice. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No 4.

To Resolution No. 5.

Shri Pradeep Kumar Loiwal , (holding DIN 00403719) has been Non-Executive Independent Director of the Company and has held the positions as such from 26.12.2005.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and thereafter the matter was placed before the Nomination & Remuneration Committee, which commends & approved his appointment as Independent Director.

In the opinion of the Board, Shri Pradeep Kumar Loiwal, (holding DIN 00403719) is independent of the management and fulfills the conditions for appointment as Independent Director as specified in the Act, the Listing Agreement and the Rules made there under. Further, it is proposed to appoint Shri Pradeep Kumar Loiwal, (holding DIN 02275473) as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for five consecutive years for a term up to 31st AGM.

Shri Pradeep Kumar Loiwal, (holding DIN 00403719) is not disqualified from being appointed as Director in terms of Section 164 of the Act and he has given his consent to act as Director. The Company has also received declarations from Shri Pradeep Kumar Loiwal, (holding DIN 00403719) that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The terms and conditions of appointment of Shri Pradeep Kumar Loiwal, (holding DIN 00403719), pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

The Company and Shri Pradeep Kumar Loiwal, (holding DIN 00403719) shall abide by the provisions specified in Schedule IV of the Act, and shall be governed and guided by the guidelines of professional conduct, role and

functions, duties, manner of appointment, reappointment, resignation or removal, separate meetings and evaluation mechanism as provided therein.

Shri Pradeep Kumar Loiwal, (holding DIN 00403719) is interested and concerned in the Resolution mentioned at Item No.5 of the Notice. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No 5.

To Resolution No. 6:

The Chairman informed that in terms of the provisions of section 180 (1) (c) of the Companies Act, 2013, to hypothecate, mortgage and/or create charge on all or any of the movable and or immovable properties both present and future of the whole or substantially the whole of undertaking or the undertakings of the company for securing any loan obtained or as may be obtained from any Banks or Financial Institutions or person or person, prior consent of the members of the Company are required in general meeting by way of Special Resolution.

Therefore the Board of Directors recommends the resolution for the approval of the shareholders in General Meeting by way of special resolution.

None of the directors and/or any relatives of the Directors/key managerial personnel may be considered as concerned or interested in this resolution.

To Resolution No. 7:

The Board of Directors of the Company envisages requirements of funds in future and as per the provisions of Section 180 (1)(c) of Companies Act, 2013 corresponding to section 293(1)(d) of the Companies Act, 1956, the Board can borrow money together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) in aggregate, up to the amount, for the time being, of the paid-up capital and free reserves of the company.

Hence, in view of requirement of fund in future it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (FIs,) Bodies Corporate or Business Associates or other any person or entity etc., in excess of paid up capital and free reserves of the Company for the purposes of business activities of the Company.

As per Section 180 (1) (c) of Companies Act 2013 corresponding to section 293(1)(d) of the Companies Act, 1956), approval of the members is sought by way of an special resolution.

Therefore the Board of Directors recommends the resolution for the approval of the shareholders in General Meeting by way of special resolution.

None of the directors and/or any relatives of the Directors/key managerial personnel may be considered as concerned or interested in this resolution.

To Resolution No. 8

A. In terms of section 102 of the Companies Act, 2013 and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulation") and any other applicable law, the Explanatory Statement set out all the material facts relating to the special business mentioned in the accompanying notice dated 3rd November, 2014.

The Board of Directors in its meeting held on Monday, the 3rd day of November, 2014 discussed the future plans of the Company and its existing requirement for funds. In view of the foregoing, the Board considered the best way to raise the funds required to finance the operations of the Company is by way of issuance of shares on the preferential basis. Based on the above discussions, the Board resolved to issue, offer and allot upto 14,35,000 Equity Shares of Rs.10/- each on preferential basis. The pricing of the Equity Shares to be allotted on preferential basis to the Non Promoters shall not be lower than the price determined in accordance with the SEBI (ICDR) Regulations, 2009.

Pursuant to provisions of Section 62 of the Companies Act, 2013, any offer or issue of shares of the Company to persons other than the existing holders of the equity shares of a Company requires prior approval of the Shareholders in general meeting by way of a Special Resolution. The Listing Agreement executed by the Company with the Stock Exchange also provide that the Company shall, in the first instance, offer all securities for subscription on proportionate basis to the Shareholders unless the Shareholders in a general meeting decide otherwise.

B. The details of the issue and other particulars as required in terms of Regulation 73 (1) of SEBI (ICDR) Regulations, 2009 and the following disclosures pursuant to Rule 13 (2) (d) of the Companies (Share capital and Debenture) Rules, 2014 in relation to the resolution for the proposed preferential issue are given as under:

(i) The Objects of the Preferential Issue: