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**Twenty-Third  
Annual Report  
2010-2011**

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## **BOARD OF DIRECTORS**

**Sajjan Jindal, Chairman**

**Pradip Kumar Khaitan**

**C.M.Maniar**

**Sudhir Merchant**

**Atul Sud**

**K.K.Kanoria, Whole-Time Director**

**Saket Kanoria, Managing Director**

**S.G.Nanavati, Executive Director**

## **SECRETARY**

**S.G.Nanavati**

## **AUDITORS**

**Shah Gupta & Co.**

*Chartered Accountants*

## **REGISTERED OFFICE**

Shiv Smriti,  
49, Dr. Annie Besant Road,  
Worli, Mumbai-400018

Tel : +91 22 66606006

Fax : +91 22 24935893

Email : info@tcpl.in

Website : www.tcpl.in

## **FACTORIES :**

### **SILVASSA :**

#### **Offset Printing Unit :**

17/18/21A/22, Govt. Industrial Estate, Masat, Silvassa,  
Union Territory of Dadra & Nagar Haveli – 396230

#### **Gravure Printing Unit :**

12/13D/3A & 3B, Govt. Industrial Estate, Masat, Silvassa,  
Union Territory of Dadra & Nagar Haveli – 396230

#### **Fluted Carton Unit :**

118, Govt. Industrial Estate, Masat, Silvassa,  
Union Territory of Dadra & Nagar Haveli – 396230

### **HARIDWAR :**

Plot no.1 & 2, Sector 6A,  
Integrated Industrial Estate  
BHEL, Haridwar,  
Uttarakhand - 249403

## FINANCIAL DATA/ OPERATING PERFORMANCE FOR THE LAST 10 YEARS

(₹ in Lacs)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Capital Employed:</b>										
Net Fixed Assets	3974.61	3996.68	4116.06	4815.03	6435.49	6956.36	9551.38	9175.88	10570.72	12006.81
Net Current Assets	1408.61	1339.51	1128.66	805.16	878.1	1168.29	2125.61	2945.22	3014.26	3275.51
<b>Total</b>	<b>5383.22</b>	<b>5336.19</b>	<b>5244.72</b>	<b>5620.19</b>	<b>7313.59</b>	<b>8124.65</b>	<b>11676.99</b>	<b>12121.10</b>	<b>13584.98</b>	<b>15282.32</b>
<b>Financed by:</b>										
Shareholders' Fund	2139.09	2206.61	2304.76	2510.49	2935.39	3286.83	4666.62	4844.42	5322.79	5979.67
Long Term Loans	1908.51	1769.91	1626.27	1597.96	3228.34	3574.23	5672.81	5468.88	6186.82	6469.89
Working Capital Loans	641.90	700.15	576.39	728.96	497.04	500.08	697.71	1122.90	1435.20	1976.59
Unsecured Loans	73.60	–	5.85	3.54	–	170.00	–	9.50	–	100.00
Deferred Tax Liability	620.12	659.52	731.45	779.24	652.82	593.51	639.84	675.40	640.17	756.17
<b>Total</b>	<b>5383.22</b>	<b>5336.19</b>	<b>5244.72</b>	<b>5620.19</b>	<b>7313.59</b>	<b>8124.65</b>	<b>11676.98</b>	<b>12121.10</b>	<b>13584.98</b>	<b>15282.32</b>
<b>Sales:</b>										
Notional Turnover	7198.00	7948.00	9458.00	10421.00	11361.00	13984.00	16217.00	19152.00	22304.00	28567.00
Turnover	5926.43	5942.64	7226.35	7769.09	9034.01	11187.39	13092.89	17121.56	19609.78	25102.55
Excise	1003.20	1065.41	1244.61	1237.49	1275.05	1279.16	1427.80	1399.32	997.82	1413.09
Net Turnover	4923.23	4877.23	5981.74	6531.60	7758.96	9908.23	11665.09	15722.24	18611.96	23689.46
Of Which: Exports	78.81	230.13	479.40	1053.79	1789.13	2150.23	2210.06	2088.63	2337.00	3101.39
<b>EBIDTA</b>	<b>844.50</b>	<b>868.26</b>	<b>928.51</b>	<b>959.27</b>	<b>1157.70</b>	<b>1467.45</b>	<b>1723.16</b>	<b>2331.31</b>	<b>2742.27</b>	<b>3477.19</b>
Interest	189.06	347.77	305.54	247.82	320.19	423.06	544.27	729.28	662.78	983.75
Foreign Exchange Fluctuation	–	–	–	–	–	–	–	49.63	85.10	62.09
Cash Profit	655.44	520.49	622.97	711.45	837.51	1044.39	1178.89	1602.03	1994.39	2431.35
Depreciation	236.08	347.00	368.84	394.85	499.41	661.97	816.90	1114.01	1209.10	1462.54
Profit before tax	419.36	173.49	254.13	316.60	338.10	382.42	361.99	488.04	785.29	968.81
<b>Profit after tax</b>	<b>270.97</b>	<b>120.59</b>	<b>162.66</b>	<b>231.52</b>	<b>418.11</b>	<b>308.72</b>	<b>292.34</b>	<b>346.80</b>	<b>443.30</b>	<b>628.70</b>
<b>Dividend amount</b>	<b>50.00</b>	<b>56.41</b>	<b>67.69</b>	<b>88.19</b>	<b>93.22</b>	<b>100.38</b>	<b>134.25</b>	<b>134.25</b>	<b>139.93</b>	<b>145.57</b>
Earning Per Share (Amt. in ₹)	5.42	2.41	3.25	4.45	7.80	5.49	4.33	4.49	5.66	7.69
Dividend Per Share (Amt. in ₹)	1.00	1.00	1.20	1.50	1.50	1.50	1.50	1.50	1.50	1.50

## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of TCPL Packaging Limited will be held on Wednesday, 30th June, 2011 at 4.30 pm at Sunville Deluxe Pavillion, 9, Dr. Annie Besant Road, Worli, Mumbai 400018 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance sheet as at 31st March, 2011, and the Profit and Loss Account for the year ended 31st March, 2011, and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. C M Maniar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradip Kumar Khaitan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company of such mortgages, hypothecation, lien, charges and encumbrances on the fixed assets of the Company in favor of the Company's bankers or any other lenders, to sell, lease or otherwise to dispose off the whole or substantially the whole of the Company's Undertaking to secure the repayment of Term Loan of such amount not exceeding ₹ 125.00 crores sanctioned by the Company's bankers or any other lenders together with interest thereon including the loans for which the charge have already been created  
**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to finalise the documents to be entered with respective bank/banks/other lenders for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary or required to give effect to the Resolution."
7. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution  
**RESOLVED THAT** in supersession to the earlier Resolution passed at the Company and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Company's Act, 1956 the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money on such terms and conditions and with or without security which together with money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in 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 purposes, provided that maximum amount of money so borrowed by the Board shall not exceed the limit of ₹ 125.00 crores (Rupees One Hundred Twenty Five Crores).
8. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
**RESOLVED THAT** pursuant to provisions of Section 198, 269, 309, 314(1B) & 350, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given for appointment of Mr. S G Nanavati as Executive Director, with effect from 01st June, 2011, subject to terms and conditions as set out in the Agreement dated 30th May, 2011, entered into by the Company with him.
9. To consider, and if thought fit, to pass the following resolution as a Special Resolution:  
**RESOLVED THAT** pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges where the shares are listed, pursuant to the provisions of Chapter VII – Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations 2009 (hereinafter called the SEBI Regulations 2009) as in force, SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997 and subject to all other applicable rules, regulations and guidelines of SEBI and subject to necessary approvals, consents, permissions, and/or sanctions, if any of SEBI and Stock Exchanges, Banks and all other concerned authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction 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 exercising the powers including the powers conferred in this resolution, the Board be and is hereby authorised to create, offer, issue and allot from time to

time in one or more trenches, upto 5,50,000 Warrants on preferential basis be issued to the Promoters /Promoters Group Companies entitling the holder of each Warrant to apply for and obtain allotment of one Equity Share of ₹10 each, against such Warrant, at a premium of ₹40/- per Equity Share in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI Regulations 2009 and other provisions of the Law as may be prevailing at that time.

**RESOLVED FURTHER THAT** the "relevant date" for the issuance of Warrants as aforesaid as per the provisions of Chapter VII – Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations 2009 as amended upto date, will be 30/05/2011 i.e. 30 days prior to the date of this Twenty Third Annual General Meeting to be held on 30/06/2011.

**RESOLVED FURTHER THAT** the Equity Shares allotted on conversion of Warrants in terms of this Resolution, shall rank pari passu in all respects with the existing Equity Shares of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

**RESOLVED FURTHER THAT** Warrants and the Equity Shares to be allotted on conversion of Warrants in terms of this Resolution shall be subject to lock in requirement as per the provisions of Chapter VII of the SEBI Regulations 2009.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such acts, deeds, matters and things as may be considered necessary, appropriate or desirable to issue or allotment of the aforesaid Warrants and listing of Equity Shares on conversion of Warrants with the Stock Exchange(s) as appropriate.

**RESOLVED FURTHER THAT** to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of Warrants, any of the Equity Shares on conversion of Warrants, utilisation of the issue proceeds and to do all acts, deeds, things in connection therewith and incidental thereto at the Board may in its absolute discretion deemed fit without being required to seek any further consent or approval of the members.

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

**RESOLVED THAT** "relevant date" for issue of 700000 Warrants of ₹ 40/- each allotted pursuant to the Special Resolution passed at the Extraordinary General Meeting of the Company held on 30th November, 2009 be treated and considered in all respects as 30th May, 2011, i.e. 30 days prior to the date of the Twenty Third Annual General Meeting to be held on 30th June, 2011.

**RESOLVED FURTHER THAT** 700000 Equity Shares of ₹ 10/- each issued and allotted on conversion of the Warrants aforesaid, shall rank pari passu in all respects with the other existing Equity Shares of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

**RESOLVED FURTHER THAT** 700000 Equity Shares of ₹ 10/- each issued and allotted on conversion of the Warrants aforesaid shall be subject to lock in requirement as per the provisions of Chapter VII of the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, hereinafter referred to as the SEBI Regulations, 2009.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to resolve and settle all questions and difficulties that may arise in relation to the issue and allotment of 700000 Warrants, allotment of 700000 Equity Shares of ₹ 10/- each on conversion of the Warrants and/or utilisation of the issue proceeds and to do and perform all such further acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its sole and absolute discretion deemed fit without being required to seek any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do and perform all such further acts, deeds, matters and things as may be considered necessary, appropriate or desirable for or in relation to issue and allotment of the aforesaid 700000 Warrants, allotment of 700000 Equity Shares of ₹ 10/- each on conversion of Warrants and listing of such Equity Shares (as allotted on conversion of the Warrants) on the Stock Exchange(s)".

**By Order of the Board**

S.G.Nanavati  
Company Secretary

**Registered Office :**

Shiv Smriti,  
49, Dr. Annie Besant Road,  
Worli, Mumbai 400018

Dated: 30<sup>th</sup> May 2011

**Notes :**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.**
2. The Register of Members of the company will remain closed from 20th June, 2011 to 30th June, 2011 (both days inclusive).
3. Transfer of Shares (in physical form) received in order by the Company at the Registered Office or at the office of the Company's Registrar and Transfer Agent, on or before 20th June, 2011, will be passed for payment of dividend, if declared.
4. The dividend that may be declared at this meeting will be payable to those members (or to their mandates) whose names are in the Company's Register of Members on 20th June, 2011, subject to the provisions of Section 206A of the Companies Act, 1956. In respect of shares held in electronic form (dematerialized shares), the dividend will be payable to such beneficial owners as per list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
5. Members are requested to notify immediately any change in their address/mandate/bank details to the Company, quoting their Folio Number.
6. Members are requested to inform the Company or its transfer agents, their email id, for receiving Annual accounts through email. Such request may be sent to Company's dedicated e-mail as under: shareholder@tcpl.in

## **EXPLANATORY STATEMENT**

### **Item No.6 of the Agenda – Pursuant to Section 293(1)(a)**

The Company requires Term Loan/s from bank/s and other private parties/lenders from time to time. These loans are secured by creation of charge on the Fixed Assets of the Company. To enable the Board of Directors to create mortgages, hypothecation, lien, charges and encumbrances on the Fixed Assets of the Company from time to time up to ₹ 125.00 crores, including the loans which have already been availed till the date by the Company for which the security has been already created, Resolution as set out under item No.6, is therefore recommended as an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, for availing the Term Loan/s from time to time from banks and other private parties /lenders.

### **Item No.7 of the Agenda – Pursuant to Section 293(1)(d)**

The present borrowing power under section 293(1)(d) of the Companies Act, 1956, is ₹ 100.00 crores. The Resolution is proposed in view of the Company's requirement of additional borrowing from time to time in excess of the present limit of ₹ 100.00 crores but not exceeding ₹ 125.00 crores. The Directors recommend the passing of Ordinary Resolution of Item No.7 of the accompanying notice under section 293(1)(d) of the Companies Act, 1956.

### **Item No.8 of the Agenda – Pursuant to provisions of Sections 198, 269, 309, 314(1B) & 350 and Schedule XIII**

The Board of Directors has appointed Mr. S G Nanavati, as Additional Director, at its meeting held on 30th May, 2011 with an immediate effect. At the same Board meeting the Board of Directors has also approved the appointment and remuneration of Mr. Nanavati as Executive Director of the Company with effect from 01st June, 2011, for a period of 3 years, subject to the approval of Shareholders at the next meeting i.e. Twenty Third Annual General Meeting of the Company.

The Resolution passed in this regard by the Board of Directors at the meeting held on 30th May, 2011, is kept open for inspection by the Shareholders of the Company, at its registered office between 10 a.m. to 12 noon at any working day of the Company.

The terms and conditions of the appointment and remuneration are as follows:

#### **TERM OF APPOINTMENT**

3 years with effect from 01st June, 2011 to 30th May, 2014

#### **REMUNERATION**

**Salary:** As per grade given below:

Salary Grade: Basic Salary ₹ 70,000/- p m – ₹ 1,00,000/- p m

Performance Linked Bonus in the grade of - ₹ 1,00,000/- p m – ₹ 2,00,000/- p m.

Increment: As may be decided by the Board of Directors / Remuneration Committee of Directors from time to time within the above grade

#### **PERQUISITES AND ALLOWANCES:**

1. Medical Reimbursement – Expenses incurred of self and family subject to limit of one month's basic salary per annum.
2. Leave Travel Concession / Allowance – for self and family subject to limit of one month's basic salary per annum.
3. Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company,
4. Entertainment and newspaper and periodicals allowance, medical insurance etc. in accordance with the Rules and Regulations of the Company or as agreed by the Board of Directors.

#### **RETIREMENT BENEFITS:**

Company's contribution to Provident Fund or Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity payable in accordance with the Rules and Regulations of the Company and the value of such benefits shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

#### **USE OF CAR AND TELEPHONE:**

Provision of the Company's car and driver for use on the Company's business and telephone(s) or residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for purpose of calculating the said ceiling.

If during the term of office of Mr. Nanavati, the Company has not made profits or profits made are inadequate in any financial year, he will be entitled to above remuneration by way of salary and perquisites which will be treated as minimum remuneration.

Mr. Nanavati will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.



Mr. Nanavati shall give an undertaking to the Company that he shall not so long as he functions as Executive Director of the Company, become interested or otherwise connected directly or through his wife in any selling agency of the Company without the prior approval of the Company and the Central Government.

The Board of Directors are authorized to increase, augment and/or enhance or vary the remuneration to be paid and provided from time to time to Mr. Nanavati in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification of re-enactment thereof and/or the Guidelines for Managerial Remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time.

Either party shall be entitled to terminate the Agreement by giving not less than 3 months' prior notice in that behalf.

The Directors, therefore, recommend the passing of the Ordinary Resolution contained in item No.8 of the accompanying Notice under Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 for the above purpose.

The terms of remuneration of Mr. Nanavati has the approval of the Remuneration Committee.

Mr. Nanavati may be considered to be interested in passing of the Resolution as it relates to his appointment as Executive Director and remuneration.

The Agreement proposed to be entered into with Mr. Nanavati will be available for inspection to the members at the Registered Office of the Company during the Company's business hours on any working day of the Company up to and including the date of the meeting. A statement containing the requisite information as per section II Para 1(B) of Part II, of Schedule XIII of the Companies Act, 1956, is given hereunder:

**i General Information:**

**1) Nature of Industry**

The Company is manufacturer of printed packaging material viz. cartons, boxes, shells and Hinge lid blanks.

**2) Date of commencement of Commercial production**

The Company commenced the commercial production at Silvassa factory in the year 1989-90 and thereafter increased its capacity over a period of time. The commercial production for Haridwar factory commenced in the year 2005-06. Thereafter, the Company increased its capacity for a period of time.

**3) Financial Performance**

The Company has achieved a turnover of ₹ 251.03 crores and Net Profit of ₹ 628.70 lakhs during the year 2010-11.

**4) Export Performance**

The Company has achieved an export turnover of ₹ 31.01 crores during the year 2010-11

**5) Foreign Investment**

As on 31.03.2011 the Company has foreign investment of 8,49,866 equity shares of the Company. Out of which, FII holds 7,50,000 equity shares and 99,866 equity shares are held by NRI shareholders.

**II) Information about the appointee:**

**1) Background details**

Mr. S G Nanavati is working in the Company since 1989. He is Chartered Accountant and Company Secretary. He is currently 55 years old. In view of his experience in Finance, Legal and General Administration matters, he has been appointed as an additional director on the Board, at the meeting of Board of Directors held on 30th May, 2011. He has also been appointed as an Executive Director from 01st June, 2011 for a period of 3 years, subject to Members permission.

His terms of remuneration are as under:

Salary: Basic Salary ₹ 70,000/- p m – ₹ 1,00,000/- p m

Performance Linked Bonus in the grade of - ₹ 1,00,000/- p m – ₹ 2,00,000/- p m.

Perquisites and Allowances like Medical Reimbursement, Leave Travel Concession / Allowance, both subject to limit of one month's basic salary per annum, Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company, Entertainment and newspaper and periodicals allowance, medical insurance etc. in accordance with the Rules and Regulations of the Company and as agreed by the Board of Directors.

Retirement Benefits such as Company's contribution to Provident Fund or Superannuation or Annuity Fund and Gratuity payable in accordance with the Rules and Regulations of the Company.

## 2) Job Profile

On appointment as Executive Director, Mr. Nanavati will be devoting his time for general administration, legal compliances, long term and short term financial arrangement of funds for the Company and such other activities as may be delegated to him from time to time.

## 3) Remuneration proposed

The Board of Directors have approved the remuneration viz monthly salary in the grade of ₹ 70,000/- p m – ₹ 1,00,000/- p m, Performance Linked Bonus in the grade of - ₹ 1,00,000/- p m – ₹ 2,00,000/- p m and perquisites and allowances, aggregate value of which will exceed to ₹ 24,00,000/- per annum but within the limit of ₹ 42,00,000/- per annum which is in accordance with section II para 1(B) of part II of schedule XIII of the Companies Act, 1956. The above remuneration will be treated as minimum remuneration and will be paid in case the Company has inadequate profit or no profit for any financial year during the period 1.4.2011 – 31.03.2015

- 4) The Remuneration proposed is comparative with reference to industry, turnover of the Company considering multi locational manufacturing setup and job profile of the Executive Director.

## III) Other information

The Company is profit making organization and does not have losses. However, the proposed remuneration should be treated as minimum remuneration in case such remuneration paid / payable is in excess of the limit specified under Section 198 of the Companies Act, 1956.

The Company has taken debts from various banks and private companies. The repayment of loans to the bankers and private party lenders is being made as per the term loan repayment schedules. The payment of interest is also being made in time and the company has not made any default in repayment of any of its debts or delayed payment of interest.

### Explanatory statement

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

#### Item No.9 of the Agenda

The Company has issued 5,50,000 Warrants to the Promoters/Promoter Group Companies in view of the growth of the business and for strengthening the long term working capital position in November 2010. However, due to explanation inserted after 1st Proviso to the Regulations 72(2) of the SEBI Regulations 2009, the Company had to cancel these Warrants. Since the Company required to induct long term funds by way of Promoters contribution to strengthen the long term working capital position, the Board of Directors in their meeting held on 30th May 2011 decided issuance of upto 5,50,000 Warrants on a preferential basis to the Promoters / Promoters Group Company entitling the holder of each Warrant to apply for and obtain allotment of one Equity Share at a premium of ₹ 40/- each, against such Warrant in accordance with the provisions of Chapter VII – Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations 2009.

The details of the issue and other particulars as required in the Preferential Issue Guidelines in relation to the resolution proposed are given as under :

#### i. Objects of the Issue :

To bring in the Promoters contribution by way of Equity to strengthen the working capital position.

#### ii. Securities to be issued :

The resolutions set out at Item No.9 of the accompanying Notice entitled the Board to issue the Warrants to the Promoters/Promoter Group Companies. The Warrants will entitle the Allottees to apply for and obtain allotment of Equity Shares in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI Regulations 2009.

#### iii. Relevant Date :

The Relevant Date for the purpose of determining the price of the Warrants in accordance with SEBI Regulations 2009 will be 30th May, 2011 i.e. 30 days prior to the date of Annual General Meeting to be held on 30th June, 2011.

#### iv. Terms of Issue of Warrants to Promoters :

1. The proposed Allottees of Warrants shall, on the date of allotment, pay an amount equivalent to at least 25% of the total consideration per warrant.
2. The holders of each Warrant will be entitled to apply for and obtain allotment of one Equity Share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. The holders of the Warrants, at the time of exercise of entitlement, shall pay the balance of the consideration towards the subscription to each Equity Share.