

15th Annual Report 2007-2008



YOGI SUNG-WON (INDIA) LTD

YOGI SUNGWON (INDIA) LIMITED

DIRECTORS

Rajesh Babubhai Mulani	-	Whole Time Director (till 30.6.08)
Vijay P. Chauhan	-	Non-Executive Director (till 30.6.08)
Teena Kishore Bhai Dedhia	-	Non-Executive Independent Director (till 30.6.08)
Brijesh Upadhyay Girish Bhai	-	Non-Executive Director (till 30.6.08)
Lokesh Kapoor	-	Director (w.e.f. 25.6.08)
Bharath Phalanetra	-	Director (w.e.f. 25.6.08)
Meghal Shantaram Karekar	-	Director (w.e.f. 25.6.08)
Mandya Venkatachar Seshadri Vasan	-	Director (w.e.f. 25.6.08)

AUDITORS

Raju & Prasad,
Chartered Accountants

BANKERS

Bank of Baroda
The Mogaveera Co-op. Bank Ltd.
The New India Co-op. Bank Ltd.
Punjab National Bank

REGISTERED OFFICE

D - 108, Badrikedar Apartment,
VIP Road, Karelibaug,
Vadodara- 390018

REGISTRAR & SHARE TRANSFER AGENTS

Sharex Dynamic (India) Private Limited
Unit 1, Luthra Industrial Premises, Safed Pool,
Andheri – Kurla Road, Andheri (East),
Mumbai – 400 072

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Yogi Sung Won (India) Limited will be held on Saturday, the 30th day of September 2008 at 11.00 A.M. at Hotel Aditi, Opposite Sardar Patel Statue, Sayajigunj, Vadodra - 390 005 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2008 and Profit and Loss Account for the year ended on that date together with reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration. Messrs Raju and Prasad, Chartered Accountants, the retiring Auditors have expressed their inability to continue as Statutory Auditors of the Company due to some personal reasons. Messrs Murugendrappa & Co., Chartered Accountants, Bangalore are proposed as Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting till the next Annual General Meeting.

SPECIAL BUSINESS:

3. To appoint Mr. Bharath Phalanetra who was appointed as Additional Director and who holds office up to the date of this meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956.
4. To appoint Mr. Meghal Shantaram Karekar who was appointed as Additional Director and who holds office up to the date of this meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956.
5. To appoint Mr. Lokesh Kapoor who was appointed as Additional Director and who holds office up to the date of this meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956.
6. To appoint Mr. Mandya Venkatachar Seshadri Vasan who was appointed as Additional Director and who holds office up to the date of this meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956.
7. 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 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from authorities, if required and subject to such conditions, if any, that may be imposed by any authority while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. P Bharath as Whole-time Director of the Company for a period of three years with

Yogi Sung-Won (India) Ltd.

effect from 1.10.2008 on the terms and conditions as to remuneration by way of basic salary only as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration and/or perquisites of Mr. P Bharath, in its absolute discretion within such guidelines or ceilings subject to such approvals of Central Government or any other authority, wherever applicable, and required and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Whole-time Director the total of which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

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

8. 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 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised share capital of the Company be and is hereby increased from the existing Rs.15,00,00,000(Fifteen Crores Only) divided into 1,50,00,000 (One Crore and Fifty lakhs Only) Equity Shares of Rs.10/-each to Rs. 17,00,00,000 (Rupees Seventeen Crores) divided into 1,70,00,000 (One Crore and Seventy Lakhs Only) Equity Shares of Rs.10/- each. “

9. 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 16 and other applicable provisions, if any, of the Companies Act 1956, the Memorandum of Association be and is hereby altered in the following manner:

By deleting the existing Clause V and by substituting the following new Clause V as hereunder.

‘V. The Authorized Share Capital of the company is Rs.17,00,00,000/-’(Rupees Seventeen Crores Only) divided into 1,70,00,000 (One Crore and seventy lakhs Only) Equity Shares of Rs.10/-(Rupees Ten Only) each.’”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and any other provisions of the Companies Act, 1956, Articles of Association be altered by deleting the existing Article 5 (a) and by substituting with the following new Article 5(a) thereof and that accordingly the

Authorized Capital be substituted with the new Authorized Capital wherever it appears in the Articles of Association elsewhere:

‘ 5. (a) The Authorized Share Capital of the company is Rs.17,00,00,000/- (Rupees Seventeen Crores Only) divided into 1,70,00,000 (One Crore and seventy lakhs Only) Equity Shares of Rs.10/-(Rupees Ten Only) each with power to increase or reduce the Share Capital of the Company and to divide the Share Capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company’.”

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956, relevant guidelines of the Securities & Exchange Board of India, Listing Agreements entered into, with the Stock Exchanges and the Memorandum & Articles of Association of the Company and any other applicable Law/rules/regulations and subject to the consents/approvals of any other authorities/ institutions, consent of the Company be and is hereby accorded to create, offer issue and allot up to 100 Lakhs Warrants on a preferential basis to certain strategic investors as exhibited below (hereinafter referred to as the “Warrants”) with each Warrant convertible into one Equity Share of the Company of nominal value of Rs.10/- at par so that the total number of Equity Shares to be issued by the Company upon conversion of the Warrants does not exceed 100 Lakhs Equity Shares, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any duly authorised Committee thereof) at the time of issue or allotment:

Name of the proposed allottee	No. of Warrants	Value of Warrants In Rs.
Parkfield Developers & Builders (p) ltd	1800000	18000000.00
Vertex Foundations Private Limited	1200000	12000000.00
Centex Constructions Private Limited	1400000	14000000.00
Urvi Mercantile (P) ltd	1600000	16000000.00
RT Super Technologies Private Limited	2000000	20000000.00
Uma Ranganathan	250000	2500000.00
Medha S Hegde	250000	2500000.00
Priya Gururaja	250000	2500000.00
Chitra Vishwamurthy	250000	2500000.00
Vijayakrishna KT	400000	4000000.00
Sheela V K	300000	3000000.00
K T Vijayakrishna –HUF	200000	2000000.00
Anish Vijay	100000	1000000.00
Total	10000000	100000000.00

Yogi Sung-Won (India) Ltd.

RESOLVED FURTHER THAT the “Relevant Date” in relation to the issue of Warrants in accordance with the Securities & Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 would be 30th August 2008 being the date 30 days prior to the date of passing of this resolution.

RESOLVED FURTHER THAT the issue of Warrants, if any, as above shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the sole option of the Warrant holders) at any time within a period of 18 months from the date of allotment of Warrants.
2. Each Warrant shall be convertible into one Equity Share of nominal value of Rs.10/- each of the Company.
3. The Warrant holder(s) shall, on the date of allotment of Warrants, pay an amount equivalent to 10% of the total consideration per Warrant viz., Rs.1/- per Warrant, Each warrant priced at Rs.10/-
4. The Warrant holder(s) shall, before the date of conversion of the Warrants into Equity Shares, pay the balance 90% viz., Rs.9/- per Warrant/Share, of the consideration towards the subscription to each Equity Share.
5. The amount referred to in (3) above shall be forfeited, if the option to acquire Shares is not exercised.
6. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI Guidelines, for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.
7. The Warrants shall be locked in for a period of one year from the date of their allotment provided that the lock-in on Shares acquired by conversion of Warrants shall be reduced to the extent the Warrants have already been locked-in.
8. In the event of any of the Warrant holders not subscribing to all or any of the Equity Shares relating to the Warrants within the stipulated period viz., 18 months from the date of allotment of the Warrants, the Board shall, in its absolute discretion, offer such Shares to any other person(s) subject to the prevailing Guidelines and in case such offer is declined by such person(s) or the Equity Shares are not subscribed to, within the stipulated period, such Shares shall lapse.

RESOLVED FURTHER THAT the Company shall ensure that whilst any Warrants remain exercisable, it will at all times keep available and reserved such part of its authorized but unissued Share Capital as would enable all outstanding Warrants to be satisfied in full.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the Warrants, to finalize the list of allottee(s), including the size and relative components of the same, and for the purpose of giving effect to this issue or allotment of Warrants or Shares, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem

necessary or desirable for such purpose ,including without limitation,appointmentof consultants, solicitors, merchant bankers or any other agencies as may be required and entering into arrangements for listing, trading depository services and such other arrangements and agreements, as may be necessary ,and also to seek listing of the Equity Shares representing the same in any Indian Stock Exchanges with power on behalf of the Company ,to settle any questions, difficulties or doubts that may arise in regard to any such issue ,offer or allotment of Warrants /Equity Shares and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of the Warrants and that the said Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects *pari passu* with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Officer(s) of the company to give effect to this resolution.”

By order of the Board of Directors

Baroda
23.08.2008

P BHARATH
Director



NOTES:

1. A MEMBER ENTITLED TO VOTE AND ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY

Proxies, to be effective, should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

2. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting, is given below and forms part of the Notice
3. The Register of Members and the Share Transfer Books will remain closed on 30.9.2008 in connection with the Annual General Meeting.
4. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Transfer Agent of the Company at the following address:

Sharex Dynamic (India) Private Limited
(Unit: Yogi Sung – Won (India) Limited)
Unit 1, Luthra Industrial Premises, Safed Pool,

Yogi Sung-Won (India) Ltd.

Andheri – Kurla Road, Andheri (East),
Mumbai – 400 072 Tel: (022) 2851 5606 / 5644 Fax: (022) 2851 2885
Contact Person : Mr. T. Sashikumar

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

Item No. 3: Appointment of Director

Mr. Bharath Phalanetra was appointed as Additional Director and holds office up to the date of the AGM. Mr. Bharath Phalanetra is a qualified Engineer and has experience of nearly 2 decades in business. Also, he is one of the Acquirers. Notice has been received from a member proposing his candidature along with Rs 500/- deposit.

The Board recommends his appointment.

Except Mr Bharath Phalanetra himself, no other Director is interested/concerned in the resolution.

Item No. 4: Appointment of Director

Mr. Meghal Shantaram Karekar was appointed as Additional Director and holds office up to the date of the AGM. Notice has been received from a member proposing his candidature along with Rs500/- deposit. Mr. Meghal Shantaram Karekar is a leading Architect and has in depth experience. Notice has been received from a member proposing his candidature along with Rs500/- deposit.

The Board recommends his appointment.

Except Mr. Meghal Shantaram Karekar himself, no other Director is interested/concerned in the resolution.

Item No. 5: Appointment of Director

Mr. Lokesh Kapoor was appointed as Additional Director and holds office up to the date of the AGM. Mr. Lokesh Kapoor is a Graduate in Commerce and had served in the Defence Ministry earlier. Also, he is one of the Acquirers. Notice has been received from a member proposing his candidature along with Rs 500/- deposit.

The Board recommends his appointment.

Except Mr. Lokesh Kapoor himself, no other Director is interested/concerned in the resolution.

Item No. 6: Appointment of Director

Mr. Mandya Venkatachar Seshadri Vasan was appointed as Additional Director and holds office up to the date of the AGM. Mr. Mandya Venkatachar Seshadri Vasan is a successful businessman and has industrial experience. Notice has been received from a member proposing his candidature along with Rs500/- deposit.

The Board recommends his appointment.

Except Mr. Mandya Venkatachar Seshadri Vasan himself, no other Director is interested/concerned in the resolution.

Item No. 7: Appointment of Whole-time Director wef 1.10.2008

The Remuneration Committee of your Company considered various factors and recommended to the Board, the appointment of Mr. Bharath Phalanetra from 1.10.2008 for a period of 3 years.

The Board of Directors of the Company at their meeting held on 23.8.2008 considered the Remuneration Committee's recommendation and decided to propose this to the shareholders at the ensuing Annual General Meeting.

Mr. Bharath Phalanetra is a qualified Engineer and has experience of nearly 2 decades.

The remuneration, detailed below, payable to Mr. Bharath Phalanetra, is within the ceiling specified under Schedule XIII of the Companies Act, 1956.

Tenure: from 1.10.2008 to 30.9.2011

Basic Salary : Rs. 5,000/- per month

Except Mr. Bharath Phalanetra himself, no other Director is concerned/interested in the resolution.

Item Nos. 8, 9 & 10 : Increase of Authorised Capital

With the ideas of expansions and acquisitions, it is proposed to increase the Authorised share capital to facilitate the further infusion of share capital from time to time. Your Company has plans to aggressively pursue business related to Infrastructures which requires further fund infusion. The present Authorized Capital of Rs.15 Crores needs to be increased to Rs.17 Crores to facilitate the above mentioned activities. Accordingly, alterations to the Memorandum of Association of the Company are proposed to give effect there of. Directors seek your approval for increase in the capital.

Your Directors recommend approval of the resolution.

None of the Directors is concerned or interested in the resolution except to the extent of their shareholdings, if any.

Item No. 11: Preferential Allotment of Warrants and Equity Shares

Your Company is foraying into new segment of infrastructure business.

All of the above would require infusion of funds at short notice and to this extent; your Board felt it essential to have flexibility. Hence the proposal with the terms and conditions is placed before the members for approval. The warrants would be convertible into 100 Lakhs Equity Shares of Rs.10/- each of the Company in accordance with the SEBI Guidelines in this regard. The details are as under:

a) Objects of the issue

To part fund the expansion/diversification and working capital needs.

b) Intention of promoters/directors/ key management persons to subscribe to the offer:

The Promoters will subscribe to the proposed issue. The existing Promoters and Management Team will continue to remain in the management of the Company as in the past without any changes. Further, the composition of the present Board of Directors will remain unaltered.

c) Shareholding pattern before and after the offer (on conversion of Warrants in to Equity Shares.):

Yogi Sung-Won (India) Ltd.

The shareholding pattern of the Company before and after the offer is as under.

Sl. No	Particulars	Shareholding (Before issue of 10000000 Warrants)		Proposed shareholding (post conversion of warrants 10000000 Equity Shares)	
		No. of shares	% to capital	No. of shares	% to capital
1.	Promoters & Associates	1240767	18.12	1240767	7.37
2.	Mutual Funds:	—	—	—	—
3.	PUBLIC FINANCIAL INSTITUTIONS: Foreign Institutional Investors	22850	0.33	22850	0.14
4.	PRIVATE CORPORATE BODIES: Corporate Bodies	808936	11.82	808936	4.80
5.	OTHERS.	4773247	69.73	4773247	28.33
6.	Fresh Allottees			10000000	59.36
	Total	6845800	100	16845800	100

The above shareholding pattern has been arrived on the assumption that the entire 100 Lakhs Warrants proposed to be issued would be converted in to Equity Shares.

- d) Proposed time limit within which the allotment shall be complete

Within 15 days from the date of passing this resolution.

- e) Identity of the proposed allottee(s) and percentage of post preferential issue capital that May be held by them:

The proposed allottee(s) of the Equity Shares are as detailed hereunder and they shall be holding 59.36% of the post preferential issue capital.

SL.NO	NAME OF THE ALLOTTEE	NO. OF EQUITY SHARES PROPOSED TO BE ISSUED	PERCENTAGE OF SHAREHOLDING IN THE POST PREFERENTIAL CAPITAL
1	Parkfield Developers & Builders (p) ltd	1800000	10.69
2	Vertex Foundations Private Limited	1200000	7.12
3	Centex Constructions Private Limited	1400000	8.31
4	Urvi Mercantile (P) ltd	1600000	9.50
5	RT Super Technologies Private Limited	2000000	11.87
6	Uma Ranganathan	250000	1.48