



SADHANA NITRO CHEM LIMITED

CIN: L24110MH1973PLC016698

Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004

Tel. 022-23822524 Fax 022-23887235 E-Mail: sadhananitro@snci.com Website: www.snci.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that an Extraordinary General Meeting of Sadhana Nitro Chem Limited will be held on Monday the 29th December, 2014 at 11:00 a.m. at Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004 to transact with or without modification(s) the following items of Special Business:

SPECIAL BUSINESS:

1. Increase in the Authorised Share Capital and alteration of the Capital Clause of the Memorandum of Association 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 the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided into 92,50,000 (Ninety Two Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each and 17,50,000 (Seventeen Lacs Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 21,00,00,000/- (Rupees Twenty One Crores only) divided into 92,50,000 (Ninety Two Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each and 1,17,50,000 (Rupees One Crore Seventeen Lakhs and Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each by creation of additional 1,00,00,000 (One Crore) Preference Shares of Rs. 10/- (Rupees Ten) each and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the figures and the words "Rs. 11,00,00,000/- (Rupees Eleven Crores) divided into 92,50,000 (Ninety Two Lacs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each and 17,50,000 (Seventeen Lacs Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 21,00,00,000/- (Rupees Twenty One Crores) divided into 92,50,000 (Ninety Two Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each and 1,17,50,000 (Rupees One Crore Seventeen Lakhs and Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each".

2. Alteration of the Articles of Association 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 the provisions of Sections 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the existing Clause 7 of the Articles of Association of the Company be and is hereby altered by substituting the figures and the words "Rs. 11,00,00,000/- (Rupees Eleven Crores) divided into 92,50,000 (Ninety Two Lacs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each and 17,50,000 (Seventeen Lacs Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten) each with the following words:

"The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company."

3. Issue and Offer of Cumulative Non Convertible Preference Shares on a Private Placement basis

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

"RESOLVED that in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as may be amended from time to time and the Memorandum and Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot 7850000, 9 % Cumulative Non Convertible Preference Shares of face value of Rs. 10/- (Rupees Ten) each, at par, aggregating to Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only), on private placement basis to Manekchand Panachand Trading Investment Co. Pvt. Ltd. (the holding Company), for consideration other than cash, being the Residential Colony situated at Village Bhuvaneshwar, Taluka Roha which is valued at Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only) as per the Valuation Report received from M/s. Gandhi & Associates, Govt. Approved Valuers & Chartered Engineers."

"RESOLVED FURTHER THAT the terms and conditions of the issue shall be as follows:-

- (i) The Preference shares shall carry a dividend rate of 9 % and they shall be Cumulative in accordance with the Companies Act 2013.
- (ii) These Preference shares shall be non convertible and redeemable at the option of the Company at any time after 3 (Three) years but not later than 10 (Ten) years from the date of allotment of the preference shares.
- (iii) The preference shareholders will have a right to vote only on the resolutions placed before the Company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company pertaining to the preference share capital in the Company or with regard to the rights of the preference shareholders and not any other matter, unless the Company has failed to pay dividend.
- (iv) The preference shareholders will have a preferential right with respect to payment of dividend, if declared, and only after payment of dividend on the entire preference share capital, the equity shareholders will have a right to dividend in the equity share capital of the Company.
- (v) The preference shareholders will not have any right to participate in the surplus fund of the Company.
- (vi) In the event of winding up of the Company or distribution of the capital of the Company due to any other circumstances, the preference



share capital will be given a priority right for repayment to the shareholders and only after complete repayment of preference share capital, the equity share capital will be paid off, to the extent available with the Company.

- (vii) In the event of winding up of the Company, the preference shareholders will not have any right to participate in the surplus assets and profits of the Company, which may remain after the entire preference and equity share capital has been repaid, in such proportion as may be decided by the Board of Directors of the Company at such time.
- (viii) The issue of Preference Shares and the redemption thereof shall be in accordance with the provisions of the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate."

4. Property Purchase Transaction with the Holding Company, being a Related Party u/s 188 of the Companies Act, 2013 & Amended Clause 49 of the Listing Agreement

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

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board & its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and Sub-clause VII of the Clause 49 of the Listing Agreement or subsequent modification/ amendments thereof, if any; approval of the members of the Company be and is hereby accorded for entering into Property Purchase Agreement with Manekchand Panachand Trading Investment Co. Pvt. Ltd. (the Holding Company), a related party and issue of 7850000, 9% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each, at par aggregating to Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only) as a consideration for purchase of the said property which is valued at Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only) as per the Valuation Report received from M/s. Gandhi & Associates, Govt. Approved Valuers & Chartered Engineers.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalise any documents and writings related thereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

5. Transactions with Related Parties u/s 188 of the Companies Act, 2013 & Amended Clause 49 of the Listing Agreement

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

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board & its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and Sub-clause VII of the Clause 49 of the Listing Agreement or subsequent modification/ amendments thereof, if any, and out of abundant caution, the approval of the members of the Company be and is hereby accorded for entering into contracts / arrangements / transactions with the following related parties from the financial year 2014-15 and onwards, up to the maximum amounts as mentioned against each nature or class of contract / arrangement:-

Name of the Related Party	Name of the Director or KMP who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Any other relevant information
Anuchem b.v.b.a. Belgium	Mr. Asit Javeri, Mr. Nitin Jani (KMP)	Wholly Owned Subsidiary Company	Transactions relating to the Purchase / Sale of goods to the extent of Rs. 50 Crores p.a.	—
Lifestyle Networks Limited (LNL)	Mr. Asit Javeri, Mrs. Seema Javeri, Mr. Abhishek Javeri, Mr. Priyam S. Jhaveri, Mr. Nitin R. Jani (KMP)	Associate Common directors/KMP in both the Companies and / or holding more than 2% of the paid up capital	Availing Information Technology, Web related and other Services as provided by LNL to the extent of Rs. 1 Crore p.a.	—
M/s Amniser Corporation	Mr. Asit Javeri, Mrs. Seema Javeri, Mr. Abhishek Javeri,	Associate Mrs. Seema Javeri is a partner in the firm	Availing Ticketing and travel Services as provided by the Firm to the extent of Rs. 50 Lacs p.a.	—
Phthalo Colours & Chemicals (I) Limited	Mr. Priyam S. Jhaveri, Mr. Asit Javeri	Associate Common directors in both the Companies and / or holding more than 2% of the paid up capital	Transactions relating to the Purchase / Sale of goods to the extent of Rs. 5 Crores p.a.	—



The information with regard to the related parties and the transactions are mentioned below:-

Name of the Related Party	Name of the Director or KMP who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Any other relevant information
Manekchand Panachand Trading Investment Co Pvt. Ltd (the Holding Company)	Mr. Asit Javeri, Mrs. Seema Javeri Mr. Abhishek Javeri.	Common directors in both the Companies and / or holding more than 2% of the paid up capital	Property Purchase Agreement worth Rs. Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only), against which 7850000, 9 % Cumulative Non Convertible preference shares of Rs. 10/- each are proposed to be issued at par	

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Special Resolution(s) except Mr. Asit Javeri, Mrs. Seema Javeri, Mr. Abhishek Javeri, who are also on the Board of Directors of Manekchand Panachand Trading Investment Co Pvt. Ltd., the Holding Company and/or holding more than 2% of the paid up capital.

The Board of Directors of the Company recommends the Resolution as set out at Item No.4 in the accompanying Notice for approval of the members by way of Special Resolution.

Item No.5

The Audit Committee & the Board of Directors of the Company at their respective meeting held on 27/11/2014 have approved certain transactions to be entered into with some of the related parties of the Company as mentioned hereunder. The Company is entering these transactions with the related parties in the ordinary course of business and at arm's length basis; but out of abundant caution, the approval of Shareholders by way of Special Resolution is being sought pursuant to second proviso to Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & Clause 49 of the Listing Agreement.

The information with regard to the related parties and the transactions are mentioned below:-

Name of the Related Party	Name of the Director or KMP who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Any other relevant information
Anuchem b.v.b.a. Belgium	Mr. Asit Javeri, Mr. Nitin Jani (KMP)	Wholly Owned Subsidiary Company	Transactions relating to the Purchase / Sale of goods to the extent of Rs. 50 Crores p.a.	—
Lifestyle Networks Limited (LNL)	Mr. Asit Javeri, Mrs. Seema Javeri Mr. Abhishek Javeri, Mr. Priyam S. Jhaveri, Mr. Nitin R. Jani (KMP)	Associate Common directors/KMP in both the Companies and / or holding more than 2% of the paid up capital	Availing Information Technology, Web related and other Services as provided by LNL to the extent of Rs. 1 Crore p.a.	—
M/s Amnisera Corporation	Mr. Asit Javeri, Mrs. Seema Javeri Mr. Abhishek Javeri,	Associate Mrs. Seema Javeri is a partner in the firm	Availing Ticketing and travel Services as provided by the Firm to the extent of Rs. 50 Lacs p.a.	—
Phthalo Colours & Chemicals (I) Limited	Mr. Priyam S. Jhaveri Mr. Asit Javeri	Associate Common directors in both the Companies and / or holding more than 2% of the paid up capital	Transactions relating to the Purchase / Sale of goods to the extent of Rs. 5 Crores p.a.	—

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Special Resolution(s) except the directors/KMP mentioned above.

The Board of Directors of the Company recommends the Resolutions as set out at Item No.5 in the accompanying Notice for approval of the members by way of Special Resolution(s).

Registered Office:

Hira Baug, 1st Floor,
Kasturba Chowk, (C.P. Tank),
Mumbai - 400 004
CIN: L24110MH1973PLC016698
Mumbai, 27th November 2014



By Order of the Board
For Sadhana Nitro Chem Ltd.


N.R. Jani
Company Secretary

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

Registered Office:

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CIN: L24110MH1973PLC016698
Mumbai, 27th November 2014

By Order of the Board
For Sadhana Nitro Chem Ltd.

N.R. Jani

Company Secretary

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 OF THE COMPANY. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
2. The Company has appointed M/s. Link Intime India Private Limited (RTA), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400 078 as Registrars and Share Transfer Agents for Physical Shares. The said (RTA) is also the Depository interface of the Company with both NSDL & CDSL. Their Telephone No. 022-25963838, E-mail address: mt.helpdesk@linkintime.co.in, Fax No. 022-25946969. However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at its Registered Office. Telephone No. 022-23822524, E-mail address: sadhananitro@snci.com.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 2.00 p.m. and 4.00 p.m. up to the date of the Extraordinary General Meeting.
5. Members are requested to notify immediately Change of Address, Nomination etc. if any, to their Depository Participants (DPs) in respect of their electronic share accounts and Link Intime India Private Limited (RTA), or to the Company in respect of their physical shares.
6. Entrance Pass and Proxy Form is annexed. Members are requested to affix their signature at the space provided in the entrance pass and hand over the same at the entrance to the place of meeting.
7. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members desiring any information are requested to write to the Company 10 days in advance.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.
10. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members the facility to exercise their right to vote at the Extraordinary General Meeting (EoGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The detailed instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:
 - (i) Open email and open PDF file viz: The said PDF file contains your user ID and password/PIN for e-voting.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-voting Event Number) of Sadhana Nitro Chem Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to sncshare@snci.com with a copy marked to evoting@nsdl.co.in



- B. In case a Member receives physical copy of the Notice of Postal Ballot [for members whose email IDs are not registered with the Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Notice of Postal Ballot :

EVEN (E Voting Event Number)	USER ID	USER ID PASSWORD/ PIN
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(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 17/12/2014 (9:00 am) and ends on 19/12/2014 (6:00 pm).

During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 28/11/2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of November 28, 2014.

VII. Mrs. Kumudini Paranjape, Partner of Makarand M Joshi & Co., Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. 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.

11. The Scrutiniser will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolution at the Meeting shall be announced by the Chairman or any other person authorised by him within two days of the meeting.

12. The results declared alongwith the Scrutiniser's report will be posted on the Company's website and communicated to the Stock Exchange(s).

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Mumbai, 27th November 2014

By Order of the Board
For Sadhana Nitro Chem Ltd.

N.R. Jani
Company Secretary

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

Item No. 1 and 2

In order to generate long term funds by issue of Preference Shares to the Promoter and/or Promoter Group and/or the Holding Company and/or any other person, the existing Authorised Share Capital may not be sufficient for the purpose. It is therefore considered necessary to increase the Authorised Share Capital of the Company to the extent mentioned in item No.1 of the Notice, with the consequential alterations in the Capital Clauses of the Memorandum of Association and Articles of Association as set out in item no. 1 & 2 of the Notice.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the Authorised Share Capital and for the alteration of Capital Clause of the Memorandum of Association and the Articles of Association of the Company and accordingly the Board recommend the relevant resolutions for the approval of the Members.

None of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolutions.

Item No. 3

Section 62 of the Act read with the Companies (Share Capital & Debentures) Rules, 2014, provides, *inter alia*, that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company or employees of the company, if authorised by way of a Special Resolution.

Furthermore, as per Section 42 of the Act, read with the Rules framed there under, a company offering or making an invitation to subscribe to securities, including Cumulative Non Convertible Preference Shares on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations.

The approval of the Members is accordingly being sought by way of a Special Resolution under Sections 42, 55 and 62 and other applicable provisions, if any, of the Act read with the Rules made there under, for the issue of 7850000, 9% Cumulative Non Convertible Preference Shares of Rs. 10/- each, at par aggregating to Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only) and to offer and allot the Cumulative Non Convertible Preference Shares on a private placement basis on the terms and conditions set out hereunder.

Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the Cumulative Non Convertible Preference Shares:

1. The issue of Cumulative Non Convertible Preference Shares is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the Company.



2. The Preference Shares shall be cumulative, non participating and non-convertible.
3. The object of the issue is to strengthen the long term capital base of the Company.
4. The Cumulative Non Convertible Preference Shares will be issued and offered on a private placement basis in accordance with the provisions of Section 42 of the Act and the Rules made there under.
5. Other terms:

Issue size	7850000, 9% Cumulative Non Convertible Preference Shares of Rs. 10/- each
Issue Price	At par
Basis on which the price has been arrived at:	Valuation Report received from M/s. Gandhi & Associates, Govt. Approved Valuers & Chartered Engineers being the Registered Valuer.
Nature of shares	Cumulative Non Convertible Preference Shares.
Rate of Dividend	9% p.a. Cumulative
Terms, Tenure, Manner, Price and Mode of Redemption,	Preference shares shall be non convertible and redeemable at the option of the Company at any time after 3 (Three) years but not later than 10 (Ten) years from the date of allotment. Redemption shall be at par in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption.
Expected dilution in equity capital upon conversion of preference shares	Nil, since the Preference Shares are Non Convertible

6. The current equity shareholding pattern of the Company is as under:

Sr. No.	Category	Current Shareholding Pattern (as on 28/11/2014 - Cut off Date)	
		No. of Shares	% of Holding
(A)	Promoter Holding		
1.	Indian		
a.	Individual	564446	6.13%
b.	Bodies Corporate	5960611	64.78%
2.	Foreign		
	Sub Total (A)	6525057	70.92%
(B)	Public Holding		
1.	Institutions		
a.	Mutual Funds	560	0.01%
b.	Financial Institutions & Banks	621	0.01%
2.	Non Institutions		
a.	Bodies Corporate	260419	2.83%
b.	Individual holding shares upto 1lakh	1495038	16.25%
c.	Individual holding shares 1 lakh and above	750599	8.16%
d.	NRI	42898	0.47%
e.	Hindu Undivided Family (HUF)	9406	0.10%
f.	Clearing Members	6009	0.07%
g.	Other Directors & their Relatives	110223	1.20%
	Sub Total (B)	2675773	29.08%
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0.00%
	Sub Total (C)	0	0.00%
	Total (A+B+C)	9200830	100.00%

The Directors commend the Resolution at Item No. 3 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are deemed to be concerned or interested in this resolution except Mr. Asit Javeri, Mrs. Seema Javeri, Mr. Abhishek Javeri who are also on the Board of Directors of Manekchand Panachand Trading Investment Co. Pvt. Ltd.

Item No.4

The Audit Committee & the Board of Directors of the Company at their respective meeting held on 27th November 2014 have approved the proposed Property Purchase Agreement to be entered into between the Company and Manekchand Panachand Trading Investment Co Pvt Ltd which is valued at Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only) as per the Valuation Report received from M/s. Gandhi & Associates, Govt. Approved Valuers & Chartered Engineers and consideration to be paid to Manekchand Panachand Trading Investment Co Pvt Ltd by way of issue of 7850000, 9 % Cumulative Non Convertible preference shares of Rs. 10/- each at par, aggregating to Rs. 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only).

This transaction is being entered into at a fair price which is calculated on Arm's length basis. However, since transaction is not in the ordinary course of business of the Company, as a matter of abundant caution, the Board of Directors of the Company has given its approval for this transaction under Section 188 of the Companies Act, 2013. Further the approval of the shareholders of the Company is being sought under the proviso to Section 188 of Companies Act 2013 because the value of this transaction is exceeding the limits of 10% of the net worth of the Company, as mentioned under Rule 15(3)(ii)(a)(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014, and also the limit of 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as mentioned in Clause 49(VII) of the Listing Agreement entered into by the Company with the Bombay Stock Exchange.

