

# INDO RAMA SYNTHETICS (INDIA) LIMITED

Regd. Office: 31-A, MIDC Industrial Area, Butibori- 441122, Dist. Nagpur, Maharashtra.

## NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Indo Rama Synthetics (India) Limited will be held on Thursday, the 14 July 2011 at 12.00 Noon at the Registered Office of the Company at **31-A, MIDC, Industrial Area, Butibori, Nagpur - 441122** to transact the following business:-

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2011 and the Profit and Loss Account on that date together with the Reports of the Directors and Auditors thereon.
2. To declare final dividend and confirm interim dividend of Re 1/- per equity share for the year ended 31 March 2011.
3. To appoint a Director in place of Mr. M. L. Lohia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Arvind Pandalai who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. B S R and Associates, Chartered Accountants, are eligible for re-appointment.

### Special Business:

6. **To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other consents and approvals as may be required, approval of the Company be and is hereby accorded to the revised remuneration to Mr. O.P. Lohia, Chairman and Managing Director of the Company with effect from 1 April 2011 to 25 December 2012 as set out in the explanatory statement to this resolution and also contained in the draft agreement to be executed between the Company and Mr. O.P. Lohia, submitted to this

meeting, which agreement be and is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions as per the provisions of Companies Act, 1956."

"RESOLVED FURTHER THAT where in any financial year, during the term of office of Mr. O.P. Lohia, the Company has no profits or its profits are inadequate, Mr. O.P. Lohia shall continue to get the same remuneration as aforesaid as minimum remuneration subject to the provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required."

"RESOLVED FURTHER THAT so long as Mr. O.P. Lohia functions as Chairman and Managing Director of the Company, he will not be paid any fee for attending the meetings of the Board of Directors or any Committee thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolutions."

7. **To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other consents and approvals as may be required, approval of the Company be and is hereby accorded to the revised remuneration to Mr. Vishal Lohia, Whole-time Director of the Company with effect from 1 April 2011 to 31 March 2013 as set out in the explanatory Statement to this resolution and also contained in the draft agreement to be executed between the Company and Mr. Vishal Lohia, submitted to this meeting, which agreement be and is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions as per the provisions of Companies Act, 1956."

"RESOLVED FURTHER THAT where in any financial

year, during the term of office of Mr. Vishal Lohia, the Company has no profits or its profits are inadequate, Mr. Vishal Lohia shall continue to get the same remuneration as aforesaid as minimum remuneration subject to the provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required."

**"RESOLVED FURTHER THAT** so long as Mr. Vishal Lohia functions as Whole-time Director of the Company, he will not be paid any fee for attending the meetings of the Board of Directors or any Committee thereof."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolutions."

**8. Raising of additional long-term funds through further issuance of securities in the Company.**

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

**"RESOLVED THAT** pursuant to provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modifications or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India and/or any other appropriate regulatory authority(ies), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction, and 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 constituted by the Board or any persons(s) authorised by the Board in this regard), the Company be and is hereby authorised to issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more domestic or international offering(s) with or without Green Shoe Option, including by way of a Qualified Institutional Placement under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements)

Regulations, 2009 as amended or restated (the "ICDR Regulations"), to eligible investors (whether or not such investors are members of the Company, or whether or not such investors are Indian or foreign, including qualified institutional buyers such as public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement or whether by way of circulation of an offering circular or placement documents or otherwise, securities including equity shares and / or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and / or American Depository Receipts and/ or FCCB and/ or convertible preference shares and/or convertible debentures or bonds (Compulsorily and / or optionally, fully and/or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable /non-detachable warrants and /or warrants with a right exercisable by the warrant holders to subscribe for equity shares, or by any one or more or a combination of the above model/methods or otherwise, (hereinafter referred to as the "Specified Securities"), as may be deemed appropriate by the Board in its absolute discretion, for an aggregate amount not exceeding ₹. 200 crore, (Rupees Two Hundred crore only) inclusive of such premium as may be determined by the Board, to be denominated in Indian rupees or foreign currency, as the case may be, which at the option of the Company or the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying equity shares of the Company as the case may be and such issue and allotment to be made in one or more tranche or tranches, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally including terms relating to surrender of the Securities for the purposes of cancellation against receipt of the corresponding number of underlying equity shares and the Company be and is hereby authorised to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies

as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges outside India and the listing of equity shares underlying the securities in one or more stock exchanges in India."

**"RESOLVED FURTHER THAT** in the event of issue of Securities by way of Global Depository Receipts and/ or American Depository Receipts, the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the committee of directors duly authorised by the Board decides to open the proposed issue of Securities."

**"RESOLVED FURTHER THAT** in the event of issue of Securities by way of a Qualified Institutional Placement:

- (i) the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorised by the Board decides to open the proposed issue of Securities:
- (ii) the allotment of Securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the ICDR Regulations from time to time; and
- (iii) the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognised stock exchange, or except as may be permitted from time to time by the ICDR Regulations."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to finalise and approve the offering circular/ placement document for the proposed issue of the Securities and to authorise any Director or Directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorised person, be required from time to time, and to arrange for the submission of the offering circular / placement document, and any amendments and supplements thereto, with any applicable stock exchanges (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required."

**"RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be treated to have been issued abroad and /or in the international market and /or at the place of issue of the Securities in the international market and may be governed by applicable foreign laws."

**"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 for the issue of the Securities referred above or as may be necessary in accordance with the terms of the offering, all such equity shares being pari passu with the then existing equity shares of the Company in all respects."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as the Board may, in its absolute discretion, deems necessary expedient, desirable or appropriate in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

- (i) sign, execute and issue all documents necessary in connection with the issue of the Securities, including listing applications to stock exchanges (whether in India or abroad) and various agreements, undertakings, deeds and declarations etc;
- (ii) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- (iii) settling any questions, difficulties or doubt that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority to this Resolution."

**"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 Director(s) or any other officer or officers of the Company to give effect to these resolutions."

By order of the Board of Directors

Place: Gurgaon

Dated: 26 April 2011

**Jayant Sood**

AVP (Corp. HR) & Company Secretary

**Notes:-**

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
- ii) Explanatory Statement under Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Meeting is annexed hereto.
- iii) In terms of Article 118 of the Articles of Association of the Company, Mr. M.L. Lohia and Dr. Arvind Pandalai retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of Companies in which they hold directorship and memberships/chairmanships of Board Committees and shareholding as stipulated in Clause 49 of the Listing Agreement is separately annexed herewith.
- iv) The Register of Members and share transfer books of the Company will remain closed from 7th day of July 2011 to 14th day of July 2011 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.
- v) Final Dividend of Re. 1/- per equity share has been recommended by the Board of Directors and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on 9 August 2011. One Interim Dividend for the year 2010-11 at a rate of Re.1/- per equity share was paid on 7 March 2011.
- vi) The amount of dividend remaining unclaimed up to a period of seven years from the date of payment thereof is liable to be transferred to the "Investor Education and Protection Fund" of the Central Government under Section 205C of the Companies Act, 1956.
- vii) Members who have not encashed their dividend warrant(s) so far for the said amounts are requested to make their claims to the Company. No claim shall lie against the Company or the said fund in respect of the amounts remaining unclaimed once the unclaimed dividend is transferred to the Central Government.
- viii) 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 the PAN to their Depository Participants with whom they are maintaining their demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.

- ix) Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate etc., to their respective Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.
- x) Members holding shares in physical form who have not yet provided the Bank Details are once again requested to provide their latest Bank Account Number, name of Bank and address of the Branch, quoting their folio number, to the Company to enable the Company to print the Bank Account details on the Dividend Warrants. This would ensure safety in so far as the dividend warrant, if lost or misplaced, cannot be used for any other purpose except for depositing the same in the account specified on the dividend warrant.
- xi) Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31 March, 2011, may visit the Company's website [www.indoramaindia.com](http://www.indoramaindia.com) or send their queries at least 10 days before the Annual General Meeting to the Company Secretary at Company's Office at 20th Floor, DLF Square, DLF Phase-II, NH-8, Gurgaon-122002.
- xii) The documents referred to in the proposed Resolutions are available for inspection at the Registered office of the Company during working hours between 10.00 a.m and 1.00 p. m (except on public holidays) up to the date of the Annual General Meeting.
- xiii) Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 6**

The Board of Directors of the Company re-appointed Mr. O.P. Lohia as the Managing Director of the Company for a period of five years effective from 26 December 2007 in their Meeting held on 16 July 2007 on the terms of appointment

and remuneration payable to Mr. O.P. Lohia as Managing Director of the Company as specified in the agreement executed between Mr. Lohia and the Company which was approved by the Members at the 31 August 2007.

Mr. O.P.Lohia is the Promoter and Managing Director of the Company since 1989. After graduation from Calcutta University he joined the family business of textiles and got the best of exposure in all aspects and functions of business management including international markets. Mr. O.P. Lohia propelled Indo Rama to the forefront of the Indian Synthetic/ Man Made Fibre Industry. Today, the Company is one of the largest dedicated manufacturers of Polyester products in the Country and Mr. O.P. Lohia is actively involved as Chairman and Managing Director of the Company in the business policy decisions of the Company.

The Company has recently initiated many value addition projects such as Expansion of production capacity by adding of new high capacity Draw Texturised Yarn (DTY) machines, replacing existing heat treatment media (HTM) with coal based plant and setting up Steam turbine generator of capacity of 11 MW to utilise the spare boiler capacity. Mr. O.P. Lohia is providing valuable insights and vision for the Company's sustained growth initiatives and plans. Mr. O. P. Lohia constantly provides leadership and guidance to qualified and well experienced professionals across all key organizational functions, to enable them to add value to the Company's growth.

Mr. O.P. Lohia is regarded and recognised as a leader because of his business acumen and forethought of the global trends and his understanding of macro economics in the world markets. Mr. Lohia's contribution to Indian Economy and Industry was well recognised with the 'Udyog Ratna Award' from the Government of Madhya Pradesh and an 'Outstanding Personalities Award' from Karnataka Employers' Association. The SMART Manager, has chosen him as "one of the top 25 managers of India" for steering Indo Rama to greater heights. He is the past President of the All India Organization of Employers (AIOE) and has represented India in the ILO conference held in Geneva.

The Board of Directors of the Company in their meeting held on 26 April 2011 has, subject to the approval of the members, unanimously approved revision in the remuneration payable to Mr. O.P. Lohia w.e.f. 1 April 2011 for the remaining period of his present tenure as Chairman and Managing Director of the Company.

1. Salary: ₹ 1,400,000/- per month.
2. Commission: 1 % of the Net Profits of the Company in any financial year as computed under Section 198 of the Companies Act, 1956.

3. Perquisites & Allowances: Mr. O.P.Lohia shall be entitled to the following perquisites:-

- (i) Housing: House Rent Allowance of ₹ 450,000/- per month.
- (ii) Expenses pertaining to Gas, Electricity, Water, furnishings and other utilities including repairs will be borne / reimbursed by the Company on actual subject to a maximum of ₹ 360,000/- in one year.
- (iii) Medical Reimbursement: Reimbursement of medical expenses incurred for self and family will be ₹ 2,000/- per month or ₹ 24,000/- in one year.
- (iv) Leave Travel Concession: Leave Travel Concession for self and family to and from any place in India or abroad upto ₹ 120,000/- per annum as per rules of the Company.
- (v) Personal Accident Insurance: Premium not to exceed ₹ 36,000/- per annum.
- (vi) Club Fees: Fees in respect of two Clubs will be ₹ 180,000/- per annum.
- (vii) Hospitalization benefit: As per rules of the Company.
- (viii) Conveyance: Use of the Company's maintained car(s) with driver(s).
- (ix) Telephone: Telephone and fax at residence.

Explanation:- Provision of cars for use on the Company's business and telephone / fax at residence will not be considered in computing the value of perquisites.

Note:- All the perquisites will be interchangeable i.e., any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s).

4. In addition to the perquisites as aforesaid, Mr. O.P. Lohia shall also be entitled to the following annual benefits forming part of his remuneration.

- (a) Provident Fund: Company's contribution towards Provident Fund shall be as per the rules of the Company, i.e. @12% of the Basic Salary.
- (b) Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per rules of the Company.

5. Leave: As per the rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.

Leave accumulated and not availed of during his tenure as Chairman & Managing Director may be allowed to

be encashed at the end of the tenure as per rules of the Company.

6. Reimbursement of expenses: Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. O.P. Lohia during the course of and in connection with the business of the Company.
7. Sitting Fee: No sitting fee shall be paid to Mr. O.P. Lohia for attending the Meetings of Board of Directors of the Company or any Committees thereof.
8. Minimum Remuneration: In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. O.P. Lohia, will be entitled to the above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in accordance with the applicable provision of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required.”

None of the Directors except Mr. M.L.Lohia and Mr.Vishal Lohia who are related to Mr. O.P. Lohia are concerned or interested in the said Resolution.

Members' approval is required for the proposed revision in remuneration payable to Mr. O.P. Lohia. The Board recommends the special resolution set out at item no. 6 of the Notice for your approval.

#### **ITEM NO. 7**

The Board of Director in their Meeting held on 23 January 2010, has re-appointed Mr. Vishal Lohia as Whole-time Director of the Company for a further term of 3 (three) years effective from 1 April 2010 together with remuneration under the provisions of Section 198, 269, 309 & 310 and Schedule XIII of the Companies Act, 1956.

Mr. Vishal Lohia is an alumnus of Bryant College, USA, having graduated in Finance & Economics, Mr. Vishal Lohia paced himself with thorough grooming on the job at Indo Rama Synthetics (India) Limited. He has been taking on increasing responsibilities and driving the initiatives at Indo Rama to strategically position it as a leading player on the global industrial map. He has been actively involved in various industry forums taking up the cause and concerns of polyester industry on economic and trade issues.

In consideration of performance of his duties as Whole-time Director and having regard to other relevant factors viz, the improved performance and profitability of the Company during the financial year 2010-11 and expected better performance in the current financial year as well as in coming years, the Board of Directors at their meeting held on 26 April 2011 has, subject to the approval of the members,

unanimously approved revision in the remuneration payable to Mr. Vishal Lohia w.e.f. 1 April 2011 for the remaining period of his present tenure as Whole-time Director of the Company.

1. Salary: ₹ 700,000/- per month.
2. Perquisites & Allowances: Mr. Vishal Lohia shall be entitled to the following perquisites:-
  - (i) Housing: House Rent Allowance of ₹ 567,000/- per month.
  - (ii) Expenses pertaining to Gas, Electricity, Water, furnishings and other utilities including repairs will be borne / reimbursed by the Company on actuals subject to a maximum of ₹ 37,500/- per month or ₹ 450,000/- in one year.
  - (iii) Medical Reimbursement : Reimbursement of medical expenses incurred for self and family will be ₹ 15,000/- per month or ₹180,000/- in one year.
  - (iv) Leave Travel Concession: Leave Travel Concession for self and family to and from any place in India or abroad upto ₹300,000/- per annum as per rules of the Company.
  - (v) Personal Accident Insurance: Premium not to exceed ₹18,000/- per annum.
  - (vi) Club Fees: Fees in respect of two Clubs will be ₹18,000/- per annum.
  - (vii) Hospitalization benefit: As per rules of the Company.
  - (viii) Conveyance: Use of the Company's maintained car(s) with driver(s).
  - (ix) Telephone: Telephone and fax at residence.

Explanation:- Provision of cars for use on the Company's business and telephone / fax at residence will not be considered in computing the value of perquisites.

Note:- All the perquisites will be interchangeable i.e., any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s).

3. In addition to the perquisites as aforesaid, Mr. Vishal Lohia shall also be entitled to the following annual benefits forming part of his remuneration.
  - (a) Provident Fund: Company's contribution towards Provident Fund shall be as per the rules of the Company, i.e. @12% of the Basic Salary.
  - (b) Gratuity: Payable at a rate not exceeding half a

month's salary for each completed year of service as per rules of the Company.

4. Leave: As per the rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.

Leave accumulated and not availed of during his tenure as Whole-time Director may be allowed to be encashed at the end of the tenure as per rules of the Company.

5. Reimbursement of expenses: Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Vishal Lohia during the course of and in connection with the business of the Company.
6. Sitting Fee: No sitting fee shall be paid to Mr. Vishal Lohia for attending the Meetings of Board of Directors of the Company or any Committees thereof.
7. Minimum Remuneration: In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Vishal Lohia, will be entitled to the above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in accordance with the applicable provision of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required."

None of the Directors except Mr. M.L.Lohia and Mr. O.P. Lohia who are related to Mr. Vishal Lohia are concerned or interested in the said Resolution.

Members' approval is required for the proposed revision in remuneration payable to Mr. Vishal Lohia. The Board recommends the special resolution set out at item no. 7 of the Notice for your approval.

#### **ITEM NO. 8**

The Company is one of the leading polyester manufacturing companies in India and also carrying on power Business as a cost/ profit centre. To meet the requirement of funds for capital expenditure for execution of certain value added and cost saving projects, the Company would need access to external funds at different points of time in the future. It is therefore proposed to issue Specified Securities including equity shares or instruments or securities convertible into equity shares upto an aggregate amount not exceeding ₹ 200 crore (Rupees Two Hundred crore only) inclusive of premium

as may be determined by the Board of Directors, in one or more tranches, in such form [including qualified Institutional Placement as prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or restated (the "ICDR Regulations"), and/or Depository Receipts under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, on such terms, in such manner, at such price or prices and at such times as may be considered appropriate by the Board, to various categories of investors in domestic and/or international markets(s).

Section 81 of the companies Act, 1956 ("the Act") provides, inter-alia, that whenever a public company proposes to increase its subscribed capital by further issue/offer and allotment of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise by a special resolution. Accordingly, the consent of the members is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Act, authorizing the Board to issue Securities, as stated in the Resolution, which may result in issuance of shares of the Company to persons other than the existing members of the Company.

The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of Securities issued/allotted to them or to the companies/institutions in which any of them is a director or member, if any.

The Company has approved in its 24th Annual General Meeting issuance of shares to QIP, which was not implemented. Hence, fresh resolution in respect to issuance of shares to QIP is placed before the shareholders.

The Board recommends the Special Resolution set out in Item No. 8 of the Notice for approval by the members.

By order of the Board of Directors

Place: Gurgaon

**Jayant Sood**

Dated: 26 April 2011 AVP (Corp. HR) & Company Secretary

<b>Name of the Director</b>	<b>Mr.M.L.Lohia</b>	<b>Dr. Arvind Pandalai</b>
<b>Date of Birth</b>	21 December 1930	10 May 1949
<b>Date of Appointment</b>	Since inception	20 July 2009
<b>Qualification</b>	Commerce Graduate	B.Sc. (Chem), MBA & PH.D.
<b>Expertise in specific functional area.</b>	Mr. M.L. Lohia having more than 46 years of Industrial experience laid the foundation of Indo Rama group. The group has diversified interests in areas like textiles, petrochemicals, man-made fibre, chemicals, natural rubber, bottle grade pet resins, steel etc .having presence in Indonesia, Thailand, Sri Lanka, Nepal, India etc. In India, Mr. M.L.Lohia is presently Chairman – Emeritus on the Board of Indo Rama Synthetics (India) Limited. He is also on the Board of several Companies outside India. As a humanitarian Mr. M.L.Lohia is keenly involved in social, philanthropic and charitable activities in India as well as abroad.	Dr. Arvind Pandalai having an experience of 39 years retired as Chairman cum Managing Director of State Trading Corporation of India Ltd. (STC), New Delhi. He has specialization in the areas of international trade, project management, joint ventures, financial management, strategic management, market research, counter trade and offset trade etc. He has experience in global trade in bulk commodities through linkages with major international companies, banking and financial institutions, commodity exchanges & ECGC etc. and has been associated with various prestigious academic and professional bodies/institution.
<b>List of outside Directorship held.</b>		
	1. Aurus Specialty Company Ltd.	1. Keventer Agro Ltd
	2. Indorama Holdings Ltd.	
	3. Brookgrange Investments Ltd.	
	4. Lohia Global Holdings Ltd.	
<b>Chairman/member of the Committee of the Board of Directors of the Company.</b>	Nil	<b>Indo Rama Synthetics (India) Limited</b> 1. Audit Committee - Member ii. Remuneration Committee - Member
<b>Chairman/member of the Committee of Directors of other Companies:-</b>	Nil	Nil
<b>Shareholding of Non-executive Directors</b>	No. of shares : 3,00,028 Percentage : 0.20 %	No. of Shares- NIL Percentage : NIL