

**INFORMATION MEMORANDUM**

**BHILWARA TECHNICAL TEXTILES LIMITED**

(A Company incorporated under the provisions of the Companies Act, 1956 as a public limited company on 14<sup>th</sup> December 2007)

Regd. Office: LNJ Nagar, Mordi, Banswara 327001 (Rajasthan)

Corporate Office: Bhilwara Towers, A-12, Sector-1, Noida - 201301

Phone: 2961-231640, Fax: 02961-231254; website: under construction

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**INFORMATION MEMORANDUM FOR LISTING OF 58373305 EQUITY SHARES OF RE. 1/- EACH**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

<b>GENERAL RISKS</b>
Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Bhilwara Technical Textiles Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Bhilwara Technical Textiles Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.
<b>ABSOLUTE RESPONSIBILITY OF BHILWARA TECHNICAL TEXTILES LIMITED</b>
Bhilwara Technical Textiles Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Bhilwara Technical Textiles Limited which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
<b>LISTING</b>
The Equity Shares of Bhilwara Technical Textiles Limited is proposed to be listed on Bombay Stock Exchange Limited.
<b>SHARE TRANSFER AGENT</b>
Beetal Financial & Computer Services (P) Ltd. Beetal House, III Floor, 99, Madangir, Behind local shopping centre. New delhi- 110062. Contact Person: S.P. Gupta Tel. 011-29961281-283; Fax. 011-29961284 Email ID: <a href="mailto:beetal@rediffmail.com">beetal@rediffmail.com</a>

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## DEFINITIONS, ABBREVIATIONS & INDUSTRY RELATED TERMS

### Conventional / General Terms

Term	Description
"we", "us", "our", "the Company", "our company" or "BHILWARA TECHNICAL TEXTILES LIMITED", or "BTTL" unless the context otherwise implies, refer to, BHILWARA TECHNICAL TEXTILES LIMITED	A public limited company incorporated under the Companies Act, 1956 under the name Bhilwara Technical Textiles Limited.
"Scheme" or "Scheme of arrangement"	Scheme of Arrangement/ De-merger between RSWM Ltd. and Bhilwara Technical Textiles Limited.

### General Terms and Abbreviations

Act	The Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act
Appointed Date	Appointed Date means 1 <sup>st</sup> April, 2008 as per the Scheme approved by the Delhi High Court. The de-merger of strategic Investment division of RSWM with our company is effective from this date.
AS	Indian Accounting Standard
Board or Board of Directors	Board of Directors of Bhilwara Technical Textiles Limited.
BMD	BMD Private Limited
BSE	Bombay Stock Exchange Ltd
BTTL	Bhilwara Technical Textiles Ltd
Capital or Share Capital	Share Capital of the Company
CDSL	Central Depository Services (India) Limited
Effective Date	Effective date 31 <sup>st</sup> March, 2009 the date on which the certified or the authenticated copy of the Delhi High Court order under Section 391 and 394 of the Companies Act sanctioning the scheme was filed

	with Registrar of Companies.
Equity Share(s)	Fully paid-up equity shares of the face value of Re.1/- each of the de-merged entity, Bhilwara Technical Textiles Limited.
Equity shareholders	Holders of Equity Share(s) or the beneficiaries holding their shares in DEMAT Mode.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FY / Fiscal	Financial year ending March 31
Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 19, 2000 read with amendments issued subsequent to that date now replaced with the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009
HUF	Hindu Undivided Family
IT Act	The Income Tax Act, 1961 and amendments thereto
NAV	Net Asset Value
NR	Non Resident
NRI(s)	Non Resident Indian (s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange Association Ltd
OCB	Overseas Corporate Bodies
Promoters	Mr Shekhar Agarwal and Mr Ravi Jhunjhunwala
RBI	The Reserve Bank of India
Record Date	24 <sup>th</sup> April, 2009
Registrar to the Company	Beetal Financial & Computer Services (P) Ltd.
ROC	Registrar of companies, Rajasthan, Jaipur
RSWM	RSWM Limited
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI DIP Guidelines	The SEBI (Disclosure & Investor Protection) Guidelines, 2000 and amendments thereto
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended to date

## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL AND MARKET DATA**

### **Financial Data**

Unless otherwise stated, the financial data in this Information Memorandum is derived from the audited annual accounts of Bhilwara Technical Textiles Limited.

The financial statements of Bhilwara Technical Textiles Limited are as of and for the financial year ended March 31, 2008 and March 31, 2009.

The fiscal year of Bhilwara Technical textiles Limited commenced on April 1 and ended on March 31 of the next year, so all references to a particular fiscal year of Bhilwara Technical textiles Limited are to the 12 month period ended on March 31 of that year.

### **Currency of Presentation**

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India.

### **Market Data**

Unless otherwise stated, industry data used in this Information Memorandum has been obtained from industry publications. These industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although Bhilwara Technical Textiles Limited believes that industry data used in this Information Memorandum is reliable, such data has not been verified by any independent source.

## **FORWARD-LOOKING STATEMENTS**

This Information Memorandum contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” or other words or phrases of similar import. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- a. Our dependence on key personnel;
- b. Our ability to comply with the financial conditions and other covenants of our borrowings;
- c. General economic and business conditions in India and other countries;
- d. Regulatory changes relating to the business segments in which we operate and our ability to respond to them;
- e. Technological changes;
- f. Our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments; and
- g. Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion on factors that could cause our actual results to differ, please refer to “Risk Factors” of this Information Memorandum.

Our Company does not have any obligations to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

## **RISK FACTORS**

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

### **INTERNAL RISK FACTOR**

**At present the company is having only one asset i.e., investment in shares of BMD Pvt. Ltd.**

As per the scheme of de-merger as approved by the Hon'ble High Court of Rajasthan, the strategic investment of RSWM Ltd comprising of 66 lacs equity shares of BMD Pvt Ltd has been de-merger into the Company. And accordingly there is only one asset in the Company i.e., investment in 66 lacs equity shares of Rs 10 each of BMD Pvt Ltd.

**Management perception:** RSWM Ltd. has been engaged in manufacturing of polyester viscose blended yarn, polyester viscose blended fabric, cotton yarn, other textile items and other related activities. During 1996, RSWM diversified into the manufacturing of technical textile, mainly automotive fabric, fire retardant fabric, seating fabric for railways and multiplexes, etc. Since the project was set-up in joint venture with Melba, Australia and Gamma De-Witte, Belgium, the project was implemented through a SPV - Bhilwara Melba De-Witte Pvt Ltd (name changed to BMD Pvt Ltd). RSWM Ltd held 50% equity stake in BMD whereas Melba and Gamma De-Witte held the balance 50% equally. De-Witte subsequently acquired the shares held by Melba. In December, 2006, Gamma De-Witte made an exit from the Company.

In a short span, BMD has emerged as the market leader in automotive fabric. The Company is the OE supplier to almost all automobile manufacturers in India. Indian automobile sector has witnessed an impressive growth in the recent years. Indian auto sector is also attracting a lot of global attention and several reputed automobile companies are sourcing auto components and accessories from India. Several studies have projected robust growth in Indian automobile and auto ancillary sectors.

BMD is also manufacturing seating fabric for multiplexes, railways & airplanes. These sectors are also witnessing lot of activities. BMD wants to explore this segment with greater focus. With proper focus and management attention, BMD business can be expanded substantially.

To provide focused leadership and management attention to BMD business, it was proposed to hive-off the Strategic Investment Division of RSWM Ltd consisting of 50% stake in BMD Pvt Ltd into BTTL.

**At present, there is no significant revenue stream in the Company**

As present the Company has been holding only one investment i.e., 66 lacs equity shares of BMD Pvt. Ltd. Except dividend income from this investment, there is no other revenue source for the Company as on the date. Further declaration of dividend is the prerogative of the Board of Directors/ shareholders of BMD Pvt Ltd subject to the availability of distributable profits.

**Management perception:** To provide focused leadership and management attention to BMD business, the strategic investment in BMD Pvt Ltd is hived-off from RSWM Ltd into BTTL. Investment in BMD is with a view to long term value growth.

**The financial performance of the Company is heavily dependent on the financial performance of BMD Pvt. Ltd.**

As at present the Company is only one asset i.e., 66 lacs equity shares of BMD Pvt. Ltd., the financial performance of the Company is heavily dependent on the financial performance of BMD Pvt. Ltd. Any downfall in the financials of BMD Pvt. Ltd would affect the intrinsic value of the investment of the Company. Further any adverse condition in the technical textile industry and other industries to whom BMD serves, would also adversely impact the Company

**Management perception:** BMD is one of the market leaders in automotive fabric. The management of the Company will put their best efforts to overcome any adverse situation, if any arises in the Company/ BMD.

**EXTERNAL RISK FACTOR**

**Natural calamities could have a negative impact on the Indian economy and cause our business to suffer**

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy, which may adversely affect our business and our results of operations.

**A slowdown in economic growth in India could cause our business to suffer**

Performance and growth of any Company are significantly dependent on the health of the macro economy of the country. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Shares.

**The Indian securities markets are smaller than securities markets in more developed economies.**



Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Shares could be adversely affected.

**The market value of your investment may fluctuate due to the volatility of the Indian securities markets**

Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

**Sudden substantial sales by shareholders could cause the price of equity shares to decline**

Sale of substantial number of equity shares, after listing could lead to fall in market prices of the equity shares.

**We are subject to extensive regulation by SEBI, Stock Exchanges, RBI and other market regulators in India**

New laws/rules and changes in any law and application of current laws/rules could affect our manner of operations and profitability etc.

**After this listing, the prices of the Company's equity shares may be volatile, or an active trading market for the Company's equity shares may not develop**

There has been no public market for the Company's equity shares till now and the prices of the Company's equity shares may fluctuate after this listing. There can be

no assurance that an active trading market for the equity shares will develop or be sustained after this listing. The Company's share price could be volatile.

**Factors beyond Management Control**

Force majeure events such as wars, natural disasters and terrorist attacks may adversely affect the markets, investors confidence, exchange rates and world economy in general and may result in loss of business and assets.

## **SUMMARY OF OUR BUSINESS**

At present, the Company has been holding only one investment i.e., 66 lacs equity shares of BMD Pvt Ltd.

For details please refer to the section "Business Overview" section of this Information Memorandum.

## **SCHEME OF ARRANGEMENT**

The Hon'ble High Court of Rajasthan, vide its Order dated December 16, 2008 has approved the Scheme of Arrangement/ De-merger of RSWM Ltd whereby the Strategic Investment Division of RSWM Ltd. has been transferred to and vested in Bhilwara Technical Textiles Ltd. with effect from April 1, 2008 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956.

The Scheme is operative from the Appointed Date i.e., April 1, 2008. However, it is effective from the last of the dates on which certified copies of the High Court order under Sections 391 and 394 of the Act was filed with the Registrar of Companies, i.e., 31<sup>st</sup> March, 2009.

In accordance with the said Scheme, the Equity Shares of BTTL issued pursuant to the Scheme shall, subject to applicable regulations, be listed and admitted to trading on Bombay Stock Exchange Limited ("BSE"). Such listing and admission for trading will be subject to fulfillment by the Company of listing criteria of BSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE for listing of Company's shares.

### **Salient features of the scheme of Arrangement**

Silent features of the Scheme as reproduces here are:

#### **1. TRANSFER OF UNDERTAKING**

- a) With effect from the Appointed Date, the whole of the undertaking and properties of Strategic Investment Division of the Demerged Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resultant Company pursuant to the provisions contained in sections 391 and 394 of the Act and all other applicable provisions, if any, and so as to vest in the Resultant Company for all rights, title and interest pertaining to Strategic Investment Division of the Demerged Company.
- b) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Demerged Company relating to Strategic Investment Division shall also, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resultant Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resultant Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities,

duties and obligations have arisen in order to give effect to the provisions of this sub clause.

- c) With effect from the Appointed Date and upon the Scheme becoming effective, all licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Demerged Company in relation to Strategic Investment Division or otherwise held by the Demerged Company to carry on operations of Strategic Investment Division shall stand vested in or transferred to the Resultant Company without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resultant Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resultant Company pursuant to the Scheme.
- d) The transfer and vesting of Strategic Investment Division as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Strategic Investment Division to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Strategic Investment Division.
- e) This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme is/are inconsistent with the provisions of section 2(19AA) of the Income Tax Act, 1961, the provisions of section 2(19AA) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(19AA) of the Income Tax Act, 1961.

## **2. Issue of Shares by the Resultant Company**

- a) Upon the Scheme finally coming into effect and in consideration of de-merger and vesting of Strategic Investment Division of the Demerged Company into the Resultant Company, in terms of this Scheme, the Resultant Company shall, without any further application or deed, issue and allot 10 Equity Share of the face value of Re. 1/- each in the Resultant Company, credited as fully paid up, for every 4 Equity Shares of Rs. 10 each held in the Demerged Company, to the members of the Demerged Company whose names appear in the Register of Members of the Demerged Company as on a particular date (Record Date), to be fixed by the Board of Directors of the Demerged Company and the Resultant Company jointly.
- b) The Demerged Company is proposing to issue up to 35,00,000 convertible warrants with an entitlement to convert into/exchange with equal number of equity shares of Rs. 10 each fully paid up. After conversion, these warrant holders will also be entitled for issue of equity shares in the Resultant Company in the same proportion as mentioned in clause 2.2.1 above.

Accordingly, the Resultant Company will keep the equivalent amount in abeyance to enable it to issue fully paid equity shares against conversion of warrants in the Demerged Company. However, no equity share will be issued by the Resultant Company against the convertible warrants which were not converted in the equity shares in the Demerged Company and entitlement to that extent will lapse and equivalent amount will be transferred to the Share Premium Account in the books of the Resultant Company.

- c) Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- d) The Equity Shares to be issued in terms of clause 2.2.1 and 2.2.2 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resultant Company. The new Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resultant Company except any stipulation with regard to lock-in period or other conditions that may be imposed or suggested by the Stock Exchange(s) or any other competent authority.
- e) The issue and allotment of Shares by the Resultant Company to the Shareholders of the Demerged Company, as provided in this Scheme, is an integral part thereof. The members of the Resultant Company, on approval of the Scheme, shall be deemed to have given their approval u/s 81(1A) of the Act and other applicable provisions, if any, for issue of fresh Shares in terms of this Scheme.
- f) The reduction of the paid up capital and reserves & surplus of the Demerged Company, if any, shall be effected as part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Demerged Company and the Resultant Company, as the case may be, and sanction by the High Court under section 391 and 394 of the Companies Act, 1956, shall be sufficient compliance with the provisions of sections 100 to 104 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of paid up capital and reserves & surplus of the Demerged Company, if any. The Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital, and accordingly, the provisions of section 101 of the Act will not be applicable.
- g) The Resultant Company shall increase/modify its Authorised Share Capital for implementing the terms of the Scheme, to the extent necessary.
- h) In terms of the provisions of the Securities and Exchange Board of India (Disclosures and Investors Protection) Guidelines, 2000, and other applicable provisions, if any, post merger equity share capital of the Resultant Company

shall be listed on the Stock Exchanges, where the shares of the Demerged Company are listed. The Resultant Company will make necessary application(s) for this purpose and comply with the Listing Agreement, SEBI Guidelines and other applicable provisions, if any, in this regard.

- i) In terms of the provisions of the listing agreement and SEBI Guidelines, pre-De-merger Promoters' holding in the Resultant Company and/or new Shares to be issued to the Promoters in the Resultant Company in terms of this Scheme, may be placed under lock-in by the Stock Exchange(s) or any other competent authority. However, shares may be transferred within the promoters group during the lock-in period.

### **3 LEGAL PROCEEDINGS**

- a) All legal proceedings of whatever nature by or against the Demerged Company pending and/or arising on or after the Appointed Date and relating to the Demerged Company, in relation to Strategic Investment Division, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resultant Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company, in relation to Strategic Investment Division, as if the Scheme had not been made.
- b) The Resultant Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company, in relation to Strategic Investment Division, referred to in clause 4.3.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resultant Company to the exclusion of the Demerged Company, in relation to Strategic Investment Division.

### **4 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Demerged Company, in relation to Strategic Investment Division, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect against or in favour of the Resultant Company and may be enforced by or against the Resultant Company as fully and effectually as if, instead of the Demerged Company, in relation to Strategic Investment Division, the Resultant Company had been a party thereto.

## **5 PERMISSIONS**

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Demerged Company, in relation to Strategic Investment Division, shall stand vested in or transferred to the Resultant Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resultant Company upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents shall vest in and become available to the Resultant Company pursuant to this Scheme.

## **6 SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of Strategic Investment Division into the Resultant Company as above and the continuance of proceedings by or against the Resultant Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resultant Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to Strategic Investment Division, in respect thereto as done and executed on behalf of the Resultant Company.

## **7 OPERATIVE DATE OF THE SCHEME**

Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

The entire text of the Scheme has been filed with the Stock Exchanges and the same should be read as to include and be part of this Information Memorandum.



## **OBJECTS OF THE SCHEME OF ARRANGEMENT/ DE-MERGER**

- a.** RSWM Ltd is engaged in manufacturing of polyester viscose blended yarn, polyester viscose blended fabric, cotton yarn, other textile items and other related activities.
- b.** During 1996, RSWM diversified into the manufacturing of technical textile, mainly automotive fabric, fire retardant fabric, seating fabric for railways and multiplexes, etc. Since the project was set-up in joint venture with Melba, Australia and Gamma De-Witte, Belgium, the project was implemented through a SPV - Bhilwara Melba De-Witte Pvt Ltd (name changed to BMD Pvt. Ltd.). RSWM Ltd held 50% equity stake in BMD whereas Melba and Gamma De-Witte held the balance 50% equally. De-Witte subsequently acquired the shares held by Melba. In December, 2006, Gamma De-Witte made an exit from the Company.
- c.** In a short span, BMD has emerged as the market leader in automotive fabric. The Company is the OE supplier to almost all automobile manufacturers in India. Indian automobile sector has witnessed an impressive growth in the recent years. Indian auto sector is also attracting a lot of global attention and several reputed automobile companies are sourcing auto components and accessories from India. Several studies have projected robust growth in Indian automobile and auto ancillary sectors.
- d.** BMD is also manufacturing seating fabric for multiplexes, railways & airplanes. These sectors are also witnessing lot of activities. BMD wants to explore this segment with greater focus.
- e.** The Management of RSWM strongly believes that with proper focus and management attention, BMD business can be expanded substantially. However, due to small proportion of BMD business to the overall size of RSWM, the Company would not be in a position to provide the desired attention to BMD business in the existing set up.
- f.** Accordingly, to provide focused leadership and management attention to BMD business, it has been proposed by the management to hive-off the Strategic Investment Division of RSWM Ltd consisting of 50% stake in BMD Pvt Ltd into a separate Company.

## SUMMARY OF FINANCIAL INFORMATION

The Company has been incorporated for the purpose of the De-merger of Strategic Investment Division of RSWM into BTTL on December 14, 2007. The following tables set forth summary financial information derived from our financial statements as of and for financial years ended March 31, 2008 and March 31, 2009.

<b>Summary of Assets and Liabilities</b>		
<b>Particulars</b>	<b>for the year ended (in rupees)</b>	
	<b>31.03.2009</b>	<b>31.03.2008</b>
<b>Sources of funds</b>		
<b>Shareholders' Funds</b>		
Capital	500,000.00	500,000.00
Share Capital - Pending Allotment	66,621,723.00	-
Reserves & Surplus	5,108,544.00	-
<b>Total</b>	<b>72,230,267.00</b>	<b>500,000.00</b>
<b>Application of funds</b>		
Investments	66,000,000.00	-
<b>Current Assets, Loans &amp; Advances</b>		
Cash & Bank Balances	467,121.00	475,582.00
Loans & Advances	5,800,000.00	-
<b>Less: Current Liabilities &amp; Provisions</b>		
Liabilities	36,854.00	11,236.00
<b>Net Current Assets</b>	<b>6,230,267.00</b>	<b>464,346.00</b>
<b>Miscellaneous Expenditure</b>		
(to the extent not written off or adjusted)	-	18,438.00
<b>Profit &amp; Loss Account</b>	-	17,216.00
<b>Total</b>	<b>72,230,267.00</b>	<b>5,00,000.00</b>

<b>Summary of Profit &amp; Loss Account</b>		
	<b>Year Ended</b>	<b>Period Ended</b>
	<b>31.3.2009</b>	<b>31.3.2008</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Income</b>		
Dividend on long term Investment	6,600,000.00	-
<b>Total</b>	<b>6,600,000.00</b>	-
<b>Expenditure</b>		
Operating & Other Expenses	1,474,240.00	17,216.00
<b>Profit Before Taxation</b>		
	<b>5,125,760.00</b>	<b>(17,216.00)</b>
Taxation	-	-
<b>Profit After Taxation</b>		
	<b>5,125,760.00</b>	<b>(17,216.00)</b>
Balance brought forward from previous year	(17,216.00)	-
Balance carried to Balance Sheet	<b>5,108,544.00</b>	<b>(17,216.00)</b>
<b>Earnings Per Share</b>		
<i>(equity shares, par value Re.1/- each)</i>		
Basic	10.25	(0.15)
Diluted	0.08	(0.15)

## GENERAL INFORMATION ABOUT BHILWARA TECHNICAL TEXTILES LIMITED

### Brief History

The Company was incorporated on 14<sup>th</sup> December 2007 under the Companies Act, 1956 under CIN No. U18101RJ2007PLC025502 with the Registrar of Companies, Rajasthan at Jaipur and obtained the certificate of commencement of business on 4 March, 2008.

Name of the company	Bhilwara Technical Textiles Limited
Registered Office	Bhilwara Technical Textiles Limited LNJ Nagar, Mordi, Banswara 327 001 Rajasthan Phone: 2961-231640 Fax: 02961-231254
Corporate office	Bhilwara Towers, A-12, Sector-1, Noida-201301 Phone No.: 0120-2541810, 4390300
Contact Person E-mail	Surender Gupta <a href="mailto:skg@lnjb.com">skg@lnjb.com</a>
Registrar of Companies	The Registrar of Companies 132, Vijay Nagar Near Kartarpura Railway Crossing Jaipur – 302 006
Corporate Identity Number	CIN No.: U18101RJ2007PLC025502

**The Board of Directors as on the date of Information Memorandum comprises the following:**

Sr. No.	Name, Designation, Occupation	DIN	Age	Residential Address
1.	Mr. Shekhar Agarwal Managing Director (Promoter Director) Business	00066113	56	7, Sadhana Enclave, New Delhi-110017
2.	Mr. Riju Jhunhunwala Director (Promoter Director) Business	00061060	30	63, Friends Colony (East), New Delhi-11006

Information Memorandum  
Bhilwara Technical Textiles Limited

3.	Mr. P.S. Dasgupta Director (Independent Director) Corporate Lawyer	00012552	54	New Delhi Law Offices, Rajendra Bhawan, 5 <sup>th</sup> Floor, 210 Deen Dayal Upadhyay Marg New Delhi-110002
4.	Mr. Pawan Kumar Deora Director (Independent Director) Chartered Accountant	00512633	54	E-953, C.R. PARK New Delhi -110019

**Compliance Officer:**

Mr. Shekhar Agarwal  
Bhilwara Towers,  
A-12, Sector-1, Noida-201301  
Phone No.: 0120-2541810, 4390300

**Statutory Auditors:**

Ashim & Associates,  
Chartered Accountants  
E-36, Greater Kailash Part-I,  
New Delhi-110048  
Phone No.: 29247246

**Registrar and Share Transfer Agent:**

Beetal Financial & computer Services (P) Ltd.  
Beetal House, III Floor,99, Madangir,  
Behind local shopping centre.  
New delhi- 110062.  
Contact Person: S.P. Gupta  
Tel. 011-29961281-283  
Fax. 011-29961284  
Email ID: [beetal@rediffmail.com](mailto:beetal@rediffmail.com)

**Bankers of the Company:**

Bank of Baroda  
Parliament Street,  
New Delhi-110001  
Phone No.: 23321849, 23319195, 23325557

## CAPITAL STRUCTURE

### Share Capital

**Upon issue and allotment of Shares pursuant to the scheme, the share capital of the company is as follows:**

<b>Authorised share capital</b> 7,00,00,000 equity shares of Re. 1 each	Rs. 7,00,00,000
<b>Paid up capital</b>	
Before the Scheme	
Issued, Subscribed & Paid up capital 500000 equity shares of Re 1 each	5,00,000
After the Scheme	
Issued, Subscribed & Paid up capital 58373305 equity shares of Re 1 each	58373305
<b>Share Premium Account</b>	
Before the scheme	Nil
After the scheme*	87,48,418

*\*In RSWM, there were outstanding 35,00,000 convertible warrants with an entitlement to convert into/exchange with equal number of equity shares of RSWM. After conversion, these warrant holders were also be entitled for issue of equity shares in the Resultant Company in the same proportion as mentioned as if they were shareholders of RSWM on the record date. Accordingly, as per the Scheme, BTTL has kept the equivalent amount in abeyance to enable it to issue fully paid equity shares against conversion of warrants in RSWM. However, no equity share has been issued by the Resultant Company against the convertible warrants and the warrant exercise period has already been expired. An amount lying in share capital pending allotment account against the aforesaid warrants has been transferred to the Securities Premium Account in terms of the Scheme.*

**Notes to Capital Structure:**

1. History of Authorised Share Capital of the Company:

<b>Date</b>	<b>Number of Shares</b>	<b>Cumulative Number of Shares</b>	<b>Face Value (Rupees)</b>	<b>Authorised Capital (Rupees)</b>
On Incorporation	500000	500000	1	500000
31/12/2008	69500000	70000000	1	70000000

2. History of issued Equity Share Capital of the Company:

<b>Date of Allotment</b>	<b>No. of Equity shares</b>	<b>Face Value (Rs.)</b>	<b>Consideration</b>	<b>Nature of Allotment</b>	<b>No of Equity Shares Cumulative</b>	<b>Paid Up Capital cumulative (Rs.)</b>
Incorporation	500000	1	1	Subscription to MOA	500000	500000
27.04.09	57873305	1	NA	Issued in terms of the Scheme of Demerger	57873305	58373305

3. In terms of clause 8.3.5.1(vii) of the SEBI guidelines shares of BTTL issued in lieu of the locked-in shares of RSWM are also required to the lock-in for the remaining period. However there are no such shares issued in BTTL.
4. Shareholding pattern of BTTL before and after the issue of shares on demerger:

**5. Pre-issue shareholding:**

**(I)(a) Statement showing Shareholding Pattern**

Category code	Category of shareholder	Number of share Holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>					
<b>(1)</b>	<b>Indian</b>					
(a)	Individuals/ Hindu Undivided Family	1	499940	0	99.988	99.988
(b)	Central Government/ State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	1	499940	0	99.988	99.988
<b>(2)</b>	<b>Foreign</b>	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0
(c)	Institutions	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(2)</b>	0	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>500000</b>		<b>100</b>	<b>100</b>
<b>(B)</b>	<b>Public shareholding<sup>3</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0

<sup>1</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>2</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

<sup>3</sup> For definitions of "Public Shareholding", refer to Clause 40A.



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Bhilwara Technical Textiles Limited

(c)	Central Government/ State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	0	<b>0</b>	0	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	0	0	0	0	0
(b)	Individuals -	6	60	0	0.012	0.012
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.					
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.					
(c)	Any Other (NRI))	0	0	0	0	0
	<b>Sub-Total (B)(2)</b>	6	60	0	0.012	0.012
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	6	60	0	0.012	0.012
	<b>TOTAL (A)+(B)</b>	<b>7</b>	<b>500000</b>	0	<b>100</b>	<b>100</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>7</b>	<b>500000</b>	<b>0</b>	<b>100</b>	<b>100</b>

(l)(b) **Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}
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1	Shekhar Agarwal	499940	99.988 %
	<b>TOTAL</b>	<b>500000</b>	<b>100</b>

\*B TTL had been incorporated for the purpose demerger of Strategic Investment Division of RSWM Ltd. For the purpose of incorporation of B TTL apart from Mr. Shekhar Agarwal, six other persons had also subscribed ten shares each to comply with the requirement for minimum number of shareholders in the Company. As they are not related to the promoters, their shareholding of ten shares each has been shown in the public category.

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL			
<b>TOTAL</b>			

(I)(d) **Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Number of locked-in shares	Category (Public/Promoter)	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
<b>TOTAL</b>				

(II)(a) **Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
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NIL			
TOTAL			

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
<b>TOTAL</b>				

**6. Post-issue shareholding:**

(I)(a) **Statement showing Shareholding Pattern**

Category code	Category of shareholder	Number of share Holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>4</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>5</sup></b>					
<b>(1)</b>	<b>Indian</b>					
(a)	Individuals/ Hindu Undivided Family	17	6936975	4315315	11.88	11.88
(b)	Central Government/ State Government(s)					
(c)	Bodies Corporate	19	9806465	9802715	16.80	16.80
(d)	Financial Institutions/ Banks					
(e)	Any Other (specify)					

<sup>4</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>5</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

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	<b>Sub-Total (A)(1)</b>	<b>36</b>	<b>16743440</b>	<b>14118030</b>	<b>28.68</b>	<b>28.68</b>
<b>(2)</b>	<b>Foreign</b>					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)					
(b)	Bodies Corporate	3	12336925	12336925	21.13	21.13
(c)	Institutions					
(d)	Any Other (specify)					
	<b>Sub-Total (A)(2)</b>	<b>3</b>	<b>12336925</b>	<b>12336925</b>	<b>21.13</b>	<b>21.13</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>39</b>	<b>29080365</b>	<b>26454955</b>	<b>49.82</b>	<b>49.82</b>
<b>(B)</b>	<b>Public shareholding<sup>6</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	12	52961	1063	0.09	0.09
(b)	Financial Institutions/ Banks	13	54106	50369	0.09	0.09
(c)	Central Government/ State Government(s)	1	4330		0.01	0.01
(d)	Venture Capital Funds					
(e)	Insurance Companies	4	4361246	4361246	7.47	7.47
(f)	Foreign Institutional Investors	6	766639	766389	1.31	1.31
(g)	Foreign Venture Capital Investors					
(h)	Any Other (specify)					
	<b>Sub-Total (B)(1)</b>	<b>36</b>	<b>5239282</b>	<b>5179067</b>	<b>8.98</b>	<b>8.98</b>
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	425	9444165	7839781	16.18	16.18
<b>(b)</b>	<b>Individuals -</b>					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	13787	11278958	9790926	19.32	19.32
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	3136918	3136918	5.37	5.37
<b>(c)</b>	Any Other (Clearing Members), Transit & Margin A/c.shares	51	193617	193617	0.33	0.33

<sup>6</sup> For definitions of "Public Shareholding", refer to Clause 40A.

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	(NSDL+CDSL)					
	<b>TOTAL (A)+(B)</b>	<b>14345</b>	<b>58373305</b>	<b>52595264</b>	100.00	100.00
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>					
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>14345</b>	<b>58373305</b>	<b>52595264</b>	100.00	100.00

**(l)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}
1	SHEKHAR AGARWAL	499940	0.86
2	LAKSHMI NIWAS JHUNJHUNWALA	342780	0.59
3	RAVI JHUNJHUNWALA	1985235	3.40
4	SHEKHAR AGARWAL	131250	0.22
5	RIJU JHUNJHUNWALA	437500	0.75
6	RISHABH JHUNJHUNWALA	100000	0.17
7	SHANTANU AGARWAL	975620	1.67
8	MANI DEVI JHUNJHUNWALA	900520	1.54
9	RITA JHUNJHUNWALA	390120	0.67
10	SHASHI AGARWAL	562440	0.96
11	SHUCHI AGARWAL	25000	0.04
12	SUSHILA DEVI CHOKHANI	163330	0.28
13	LAKSHMINIWAS JHUNJHUNWALA(HUF)	89160	0.15
14	RAVI JHUNJHUNWALA (HUF)	62500	0.11
15	SHEKHAR AGARWAL (HUF)	264080	0.45
16	SHEKHAR AGARWAL	3750	0.01
17	SHEKHAR AGARWAL	3750	0.01
18	LNJ FINANCIAL SERVICES LTD.	3157495	5.41
19	NIVEDAN VANIJYA NIYOJAN LTD.	1712685	2.93
20	PURVI VANIJYA NIYOJAN LTD.	952160	1.63
21	M/S. INVESTORS (I) LTD.	881198	1.51
22	ESSAY MARKETING CO. LTD.	786755	1.35
23	SUKANT MANAGEMENT PVT. LTD.	425780	0.73

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Bhilwara Technical Textiles Limited

24	JYOTI KNITS PVT. LTD.	407000	0.70
25	RAMAKANT SALES & SERVICES PVT. LTD.	375000	0.64
26	BHARAT INVESTMENTS GROWTH LTD.	310750	0.53
27	DEEPAK KNITS & TEXTURIES PVT. LTD.	250000	0.43
28	KALATI HOLDING (P) LTD.	183875	0.31
29	VIVEK GARMENTS PVT. LTD.	130063	0.22
30	RAGHAV COMMERCIAL LTD.	130000	0.22
31	EXPERT FABRICS & TEXTILE PVT. LTD.	51625	0.09
32	BHILWARA COMMERCE PVT. LTD.	25553	0.04
33	AGARWAL FINESTATE PVT. LTD.	20803	0.04
34	INDIA TEX FAB MARKETING LTD.	5723	0.01
35	MICRO BASE LTD.	9127425	15.64
36	MICROLIGHT INVESTMENTS LTD.	2712500	4.65
37	CORN HILL INVESTMENTS LTD.	497000	0.85
	<b>TOTAL</b>	<b>29080365</b>	<b>49.82</b>

\* BTTL had been incorporated for the purpose demerger of Strategic Investment Division of RSWM Ltd. For the purpose of incorporation of BTTL apart from Mr. Shekhar Agarwal, six other persons had also subscribed ten shares each to comply with the requirement for minimum number of shareholders in the Company. As they are not related to the promoters, their shareholding of ten shares each has been shown in the public category.

(l)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}
1.	LIFE INSURANCE CORPORATION OF INDIA	3782565	6.48
2.	RICKY ISHWARDAS KIRPALANI	1468485	2.52
3.	IL AND FS SECURITIES SERVICES LTD.	1025928	1.76
4.	DELTRA LTD.	976500	1.67
5.	GUJARAT FLUORO CHEMICALS LTD.	869238	1.49
6.	KESHWANI HARESH	694315	1.19
7.	IL AND FS TRUST CO LTD.	653883	1.12
	<b>TOTAL</b>	<b>9470914</b>	<b>16.22</b>

(l)(d) **Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Number of locked-in shares	Category (Public/Promoter)	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
<b>TOTAL</b>				

(II)(a) **Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
<b>TOTAL</b>				

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
<b>TOTAL</b>				

7. **Top ten shareholders as on the date of Information memorandum (POST DE-MERGER):**

Name	No. of Shares	%
MICROBASE LIMITED	91,27,425	15.64
LIFE INSURANCE CORPORATION OF INDIA	37,82,565	6.48

LNJ FINANCIAL SERVICES LTD.	31,57,495	5.41
MICROLIGHT INVESTMENTS LTD.	27,12,500	4.65
RAVI JHUNJHUNWALA	19,85,235	3.40
NIVEDAN VANIJYA NIYOJAN LTD.	17,12,685	2.93
RICKY ISHWARDAS KIRPALANI	14,68,485	2.52
IL And FS Securities Services Limited	10,25,928	1.76
DELTRA LTD.	9,76,500	1.67
SHANTANU AGARWAL	9,75,620	1.67

**8. Top ten shareholders ten days prior to this the date of Information memorandum (PRE-DEMERGER)**

Name	No. of Shares	%
Shekhar Agarwal	499940	99.988 %
Dwarka Prasad Mangal	10	0.002 %
Ranjeet Singh Dugar	10	0.002 %
Pratap Singh Puri	10	0.002 %
Vimal Banka	10	0.002 %
Surender Gupta	10	0.002 %
Rajat Prothi	10	0.002 %
<b>TOTAL</b>	500000	100 %

9. *In RSWM, there were outstanding 35,00,000 convertible warrants with an entitlement to convert into/exchange with equal number of equity shares of RSWM. After conversion, these warrant holders were also be entitled for issue of equity shares in the Resultant Company in the same proportion as mentioned as if they were shareholders of RSWM on the record date. Accordingly, as per the Scheme, BTTL has kept the equivalent amount in abeyance to enable it to issue fully paid equity shares against conversion of warrants in RSWM. However, no equity share has been issued by the Resultant Company against the convertible warrants and the warrant exercise period has already been expired. An amount lying in share capital pending allotment account against the aforesaid warrants has been transferred to the Securities Premium Account in terms of the Scheme.*
10. The face value of the equity shares of the Company is Re. 1 and there shall be only one denomination for the Equity Shares of BTTL, subject to applicable regulations and BTTL shall comply with such disclosure and accounting norms specified by SEBI, from time to time.



- 11.** Except as disclosed in this Information Memorandum, BTTL has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

## **STATEMENT OF TAX BENEFITS**

The Board of Directors  
Bhilwara Technical Textiles Ltd.  
Bhilwara Towers  
A-12, Sector 1  
NOIDA-201 301

Dear Sirs,

### **Sub: Statement of Possible Tax Benefits available to the Company and its Shareholders**

We hereby enclose Annexure 'A' stating the possible tax benefits available to Bhilwara Technical Textiles Ltd. ('the Company') and its shareholders under the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives that the Company faces in future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future;  
or
- the conditions prescribed for availing the benefits have been/would be met with.

The contents of this Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretations of current tax laws.

### **For Ashim & Associates**

Chartered Accountants

SD/-

Ashim Agarwal

Partner

M.No.: 84968

Place: New Delhi

Date: April 21, 2009

**A) TAX BENEFITS ACCRUING DUE TO THE PRESENT OR PROPOSED PROJECT**

Nil

**B) OTHER GENERAL TAX BENEFITS**

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax Laws:

**1. To the Company - Under the Income Tax Act, 1961 (the Act)**

1. Under Section 32 of the Act, the Company is entitled to claim depreciation allowance at the prescribed rates on all its tangible and intangible assets acquired and put to use for its business.
2. Under Section 10(34) of the Act, dividend income (whether interim or final) received by the Company from any other domestic company (in which the company has invested) is exempt from tax in the hands of the Company.
3. The income received by the Company from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the Administrator of the specified undertaking or from the specified companies referred to in Section 10(35) of the Act is exempt from tax in the hands of the Company under Section 10(35) of the Act.
4. Under Section 10(38) of the Act, the Long-term Capital Gains arising on transfer of equity shares in any other company or units of equity oriented mutual funds, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the company.
5. As per the provisions of Section 112(1)(b) of the Act, other Long-term Capital Gains arising to the Company are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units or zero coupon bonds [not covered by 10(38) of the Act], are subject to tax at the rate of 20% on long-term capital gains worked out after considering indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of Long-term capital gains worked out without considering indexation benefit (plus applicable surcharge and education cess).
6. As per the provisions of Section 111A of the Act, Short-term Capital Gains arising to the Company from transfer of Equity Shares in any other company or from sale of units of any equity oriented mutual fund defined in Section 10(38) of the Act, are subject to tax @ 10% (plus applicable

surcharge and education cess), if such a transaction is subjected to Securities Transaction Tax.

7. In accordance with and subject to the conditions specified in Section 54EC and Section 54ED of the Act, the Company would be entitled to exemption from tax on Long-term Capital Gain [not covered by Section 10(36) and Section 10 (38) of the Act] if such capital gain is invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in Section 54EC and within a period of one year in case of new assets specified in Section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.
8. As per the provisions of Section 88E of the Act, where the business income of the Company includes profits and gains from sale of securities liable to Securities Transaction Tax, a rebate is allowable from the amount of income tax on such business income, to the extent of Securities Transaction Tax paid on such transaction. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income.

## **2. To the Members of the Company - Under the Income Tax Act**

### **2.1 Resident Members**

1. Under Section 10(34) of the Act, dividend (whether interim or final) received from a domestic company is exempt from tax in the hands of the resident shareholders of the Company.
2. Under Section 10(38) of the Act, the Long-term Capital Gain arising on transfer of equity shares in any other company or units of equity oriented mutual fund, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the resident shareholders.
3. As per Section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for deduction from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions, subject to certain limits specified in the section. No deduction will be allowed in computing the income chargeable to tax as "Capital Gains" or under the head "Profits and Gains of Business or Profession" for such amount paid on account of securities transaction tax.

4. As per the provisions of Section 112(1)(a) of the Act, other Long-term Capital Gains arising to the resident shareholders are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units or zero coupon bonds [not covered by Section 10(38) of the Act], are subject to tax at the rate of 20% on long term capital gains after considering the indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of long term capital gains without considering the indexation benefit (plus applicable surcharge and education cess).
5. As per the provisions of Section 111A of the Act, Short-term Capital Gains arising to the resident shareholders from the transfer of Equity Shares in a company or units of equity oriented mutual fund defined in Section 10(38) of the act, are subject to tax @ 10% (plus applicable surcharge and education cess) if such a transaction is subjected to Securities Transaction Tax.
6. In accordance with and subject to the conditions specified in Section 54EC and Section 54ED of the Act, the resident shareholders would be entitled to exemption from tax on Long-term Capital Gains [not covered by Section 10(36) and Section 10 (38) of the Act], if such capital gains are invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in Section 54EC and within a period of one year in case of new assets specified in Section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.
7. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent provided in Section 54F of the Act, the shareholder is entitled to exemption from Long-term Capital Gains arising from the transfer of any long term capital asset, not being a residential house [not covered by Sections 10 (38) of the Act], if the net consideration is invested for purchase or construction of a residential house to the extent and in the manner prescribed in the said section. If part of the net consideration is invested within the prescribed period in a residential house, such gains would not be chargeable to tax on a proportionate basis. If, however, such new residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as long-term capital gains of the year in which such residential house is transferred

## **2.2 Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

1. Dividend (both interim and final) income, if any, received by the non-resident/non-resident Indian shareholders from the domestic company shall be exempt under Section 10(34) read with Section 115-O of the Act.
2. Benefits outlined in Paragraph 2.1 above are also available to a non-resident/non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.
3. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident/non-resident Indian shareholder. Thus, a nonresident/non-resident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.
4. Capital gains tax – Options available to a non-resident Indian under the Act: Non- resident Indian: As per Section 115-C(e) of the Act, a 'non-resident Indian' means an individual, being a citizen of India or a person of Indian origin who is not a 'resident'. As per the Explanation to the said clause, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
5. Where shares have been subscribed in convertible foreign exchange, the non-resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian company, have the option of being governed by the provisions of Chapter XII-A of the Act, which, *inter alia*, entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:
  - a) As per the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under Section 10(38) of the Act) arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

- b) As per the provisions of Section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset (in cases not covered under Section 10(38) of the Act) being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.
- c) Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- d) As per the provisions of Section 115G of the Act, non-resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- e) Under Section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- f) As per the provisions of Section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

### **2.3. Mutual Funds**

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India are exempt from income-tax, subject to the conditions notified by Central Government in this regard.

### **2.4. Venture Capital Companies/Funds**

As per Section 10(23FB) of the Act, all venture capital companies/funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from sale of shares of the company. However, income received by a person out of investment made in a venture capital company or in a venture capital fund shall be chargeable to tax in the hands of such person.

### **2.5 Foreign Institutional Investors (FIIs)**

1. Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt under Section 10(34) read with Section 115O of the Act.
2. Capital gains

Under Section 115AD, income (other than income by way of dividends referred in Section 115-O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable surcharge and education cess).

Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB) which are not exempt under Section 10(38), shall be taxable as follows:

Securities which are held for the period of upto or less than twelve months and where such transaction is chargeable to STT levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 10% (plus applicable surcharge and education cess). Securities other than those held for the period of upto or less than twelve months and where such transaction is not chargeable to STT levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 30% (plus applicable surcharge and education cess) subject to fulfillment of the conditions as specified in the said section;



Securities which are held for the period of twelve months or more shall be taxable at the rate of 10% (plus applicable surcharge and education cess). Such capital gains would be computed without giving effect of indexation as provided in the first and second proviso to Section 48. In other words, the benefit of indexation, as mentioned under the two provisos would not be allowed while computing the capital gains.

3. Long-term capital gains arising on transfer of equity shares in the Company, which is held for the period of twelve months or more and where such transaction is chargeable to STT, shall be exempt from tax under Section 10(38) of the Act.
4. Long Term Capital Gains on sale of shares of the Company by the members shall be exempt from income tax if such gains are invested in bonds/equity shares specified in section 54EC subject to the fulfillment of the conditions specified in those sections
5. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

**Note:** There is a legal uncertainty over whether a FII can elect to be governed by the normal provisions of the Act, instead of the provisions of Section 115AD. Investors are advised to consult their tax advisors in this regard

### **3. Wealth Tax Act, 1957**

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a Company.

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of ordinary shares.

The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of their holdings based on their residential status and the relevant double taxation conventions.

#### **Notes:**

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders. Shareholder is advised to consider in his/her/its own case, the tax implications of any new enactments which may change / modify the law.

2. In view of the individual nature of tax consequence, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.
3. In respect of non residents , the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double taxation Avoidance Agreements, if any, between India and the country in which non resident has fiscal domicile.

## **INDUSTRY AND BUSINESS OVERVIEW OF OUR COMPANY**

You should read the following summary together with the risk factors included in this Information Memorandum and the more detailed information about us and our financial data included in this Information Memorandum.

Unless otherwise indicated, all data relating to the industry in the following discussion is derived from internal Company reports and data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, see “Forward-Looking Statements” in this Information Memorandum.

### **Business Overview**

At present, the Company has been holding only one investment i.e., 66 lacs equity shares of BMD Pvt. Ltd.

The main objects of the Company as per the Memorandum of Association is to carry on the business of manufacturers, producers, dealers, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockist, distributors and suppliers of all kinds of automotive and home furnishing fabrics, made-ups, apparels and other products, goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylic and other kinds of fiber etc. However as of now the Company has not started any business operations as foresaid.

### **Industry Overview**

Technical textiles are used individually or as a component/part of another product. Technical textiles are used individually to satisfy specific functions such as fire retardant fabric for uniforms of firemen and coated fabric to be used as awnings. As a component or part of another product, they are used to enhance the strength, performance or other functional properties of that product as done by the tyre cord fabrics in tyres and interlining in shirt collars. They are also used as accessories in processes to manufacture other products like filter fabric in food industry or paper maker felt in paper mills.

Technical textiles have been slowly but steadily gaining ground due to one or more of the reasons such as: functional requirement, health & safety, cost effectiveness, durability, high strength, light weight, versatility, customization, user friendliness, eco friendliness, logistical convenience etc.

The trend in the various sectors in the textile industry in many industrialized countries indicate that the use of conventional textiles has reached a static level and its manufacture has become highly competitive, often unviable and many companies are switching over to value added technical textiles with capabilities to

meet functional demands for precision applications. As use of technical textiles is dictated by need, its pricing normally offers good margins. There is steady growth of both consumption and production of technical textiles throughout the world.

The maximum consumption of technical textiles is in USA & Western Europe and Japan, together three regions account for 65% of the consumption of technical textiles in the world.

## **HISTORY & OTHER CORPORATE AFFAIRS**

Bhilwara Technical Textiles Limited has been incorporated under the provision of the Companies Act, 1956, as a public limited company vide Certificate of incorporation Dated 14<sup>th</sup> December, 2007 issued by the Registrar of Companies, Rajasthan, at Jaipur. The Company had been incorporated for the purpose of de-merger of Strategic Investment Division of RSWM (comprising of 66 lacs shares of BMD Pvt. Ltd.) into BTTL.

The Registered Office of the Company is situated at LNJ Nagar, Mordi, Banswara, Rajasthan-327001.

After completion of De-merger, the strategic investment division of RSWM Ltd. consisting of 66 Lac Shares of Rs.10/- each of BMD Pvt. Ltd. has vested with the Company. The Equity Shares of Bhilwara Technical Textiles Limited is proposed to be listed on the Bombay Stock Exchange (BSE).

### **Main objects of Bhilwara Technical Textiles Limited as set out in Memorandum of Association of the company are as under:**

1. To carry on the business of manufacturers, producers, dealers, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockists, distributors and suppliers of all kinds of automotive and home furnishing fabrics, made-ups, apparels and others products, goods, articles and thinks, as are made from or with cotton, nylon, silk, polyester, acrylic and other kinds of fiber, by whatever name called or made under any process, whether natural or artificial, and by mechanical or other means.
2. To carry on the business of manufacturers, producers, dealers, producers, combers, bleachers, finishers, processors, dyers, spinners, weavers, knitwears, laminators, bales and pressers, importers, exporters, buyers, sellers and dealers in all kinds of Texturised yarns and fibers, whether natural, synthetic or artificial like nylon, polyester, acrylics, rayon, silk, artificial silk and any other fibers of fibrous materials including jute, hemp silk, cotton, wool, mesta, nylon, terene, terelyone, staple fibre or other synthetic fibre allied products, by products and substitutes for all or any of them and utilize any waste arising from any such manufacturer, production or process.
3. To carry on the business of manufacturers, buyers, sellers, distributors, agents brokers, stockist, commission agent and dealers of all kinds of textiles products, furnishing fabric and velvets, upholstery fabric and velvets product made on Handlooms, Power Looms, Shuttle Less Looms, Auto Looms, Air Jet Looms and Water Jet Looms or by any latest machines made fabrics, velvet & textiles, Home Furnishing, Dress Fabrics, Export Dress Fabrics, bed cover, bedsheets, curtains, tapestry, carpets, madeups, towels, towel cloth fabrics, durries, rugs, cushion covers, mats, handloom cloth non woven fabrics and other allied products made of textiles.

4. To carry on the business of manufacturing, dying, printing all kinds of shoddy yarn, woolen yarn, cotton yarn, carpet woolen yarn, barrack yarn, grey yarn, worsted and non-worsted yarn, waste synthetic and manmade fibres substances and as weavers or otherwise for manufacturing, buying, selling and dealing in all kinds of wool, waste, rags, synthetic, rayon, nylon, shoddy yarn and all kinds of yarns, handloom and powerloom products.

## OUR MANAGEMENT

### Board of directors

We currently have 4 Directors. The following table sets forth details regarding the Board of Directors as on the date of this Information Memorandum:

#### 1. Directors Details

Sl. No.	Name Designation, Qualification, Father's Name, Address, Occupation, Date of Birth (DOB), Age and Term	Date of Appointment
1.	DIN	00066113
	Name	<b>Mr. SHEKHAR AGARWAL</b>
	Father's/ Husband's Name	LATE SRI NIWAS AGARWAL
	Address	7, SADHANA ENCLAVE, NEW Delhi-110017
	Designation	MANAGING DIRECTOR
	Category (promoter/ executive/ independent)	PROMOTER
	Qualification	B.Tech (Mech) IIT, Msc. (Chicago)
	Occupation	INDUSTRIALIST
	Date of Birth	9 <sup>th</sup> October, 1952
	Date of appointment	14-12-2007
	Term of Appointment	Three years
	Directorship in other companies	i) Maral Overseas Limited ii) RSWM Limited iii) HEG Limited iv) BSL Limited v) Essay Marketing Company Ltd vi) Bhilwara Infotech Limited vii) LNJ Bhilwara Textile Anusandhan Vikas Kendra viii) Apptex Manpower Development Services Limited ix) Confederation of Indian Textiles Industry
	Committee membership in other companies	RSWM Limited Maral Overseas Limited
	Shareholding in the Company	634940

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Sl. No.	Name Designation, Qualification, Father's Name, Address, Occupation, Date of Birth (DOB), Age and Term	Date of Appointment
2.	DIN	00061060
	Name	<b>Mr. RIJU JHUNJHUNWALA</b>
	Father's/ Husband's Name	SHRI RAVI JHUNJHUNWALA
	Address	63, FRIENDS COLONY (EAST), NEW Delhi-11006
	Designation	DIRECTOR
	Category (promoter/ executive/ independent)	PROMOTER
	Qualification	Graduate in Business Management Studies
	Occupation	INDUSTRIALIST
	Date of Birth	13th January, 1979
	Date of appointment	14-12-2007
	Term of Appointment	Rotational director
	Directorship in other companies	i) HEG Limited ii) BSL Limited iii) Bhilwara Infotech Limited iv) LNJ Bhilwara Textile Anusandhan Vikas Kendra v) Cheslind Textiles Limited
	Committee membership in other companies	BSL Limited Cheslind Textiles Limited
	Shareholding in the Company	437500

Sl. No.	Name Designation, Qualification, Father's Name, Address, Occupation, Date of Birth (DOB), Age and Term	Date of Appointment
3.	DIN	00012552
	Name	<b>Mr. P.S. DASGUPTA</b>



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	Father's/ Husband's Name	Late Shanti Kumar Dasgupta
	Address	New Delhi Law Offices, Rajendra Bhawan, 5th Floor, 210 Deen Dayal Upadhyay Marg New Delhi-110002
	Designation	DIRECTOR
	Category (promoter/ executive/ independent)	INDEPENDENT
	Qualification	B.A. ECO (H), LLB, POST GRADUATE DIPLOMA IN CORPORATE LAWS AND LABOUR LAWS
	Occupation	CORPORATE LAWYER
	Date of Birth	30TH JUNE, 1955
	Date of appointment	6TH APRIL, 2009
	Term of Appointment	Rotational director
	Directorship in other companies	i) Cummins India Limited ii) Otis Elevator Co. India Limited iii) Timken India Limited iv) Maral Overseas Limited
	Committee membership in other companies	i) Cummins India Limited ii) Otis Elevator Co. India Limited iii) Timken India Limited iv) Maral Overseas Limited
	Shareholding in the Company	NIL

Sl. No.	Name Designation, Qualification, Father's Name, Address, Occupation, Date of Birth (DOB), Age and Term	Date of Appointment
4.	DIN	00512633
	Name	<b>Mr. PAWAN KUMAR DEORA</b>
	Father's/ Husband's Name	SHRI S.S. DEORA
	Address	E-953, C.R. PARK NEW DELHI-110019
	Designation	DIRECTOR
	Category (promoter/ executive/ independent)	INDEPENDENT
	Qualification	B.COM (FCA)

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	Occupation	PRACTICING CHARTERED ACCOUNTANT
	Date of Birth	30 <sup>TH</sup> AUGUST, 1955
	Date of appointment	06-04-2009
	Term of Appointment	
	Directorship in other companies	i) Shuchi Commercial Company Limited ii) Shuchi Fincap Private Limited iii) Challenger Stone Consultants Private Limited
	Committee membership in other companies	Nil
	Shareholding in the Company	Nil

## **CORPORATE GOVERNANCE**

Our Board of Directors has been constituted in compliance with the Companies Act and listing agreements with the Stock Exchanges. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

The Board has four Directors comprising Non-executive chairman and two Independent Directors Further, in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time, the following committees have been formed.

### **Committees of the Board**

#### **Audit Committee**

The audit committee comprises of Mr. Riju Jhunjunwala, Mr. P.S. Dasgupta, Mr.Pawan Kumar Deora as constituted on 6<sup>th</sup> April, 2009. Mr Pawan Kumar Deora has been appointed as the Chairman of the Audit Committee.

The scope and function of the audit committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information
- b. to ensure that the financial statement is correct, sufficient and credible.;
- c. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or
- d. removal of the statutory auditor and the fixation of audit fees.;
- e. Approval of payment to statutory auditors for any other services rendered by the statutory auditors ;
- f. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- g. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- h. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- i. Discussion with internal auditors any significant findings and follow up there on.;

- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.;
- k. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; and
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

### Investor Grievance Committee

The investor grievance committee comprises of Mr. Riju Jhunjunwala, Mr. P.S. Dasgupta, Mr. Pawan Kumar Deora as constituted on 6<sup>th</sup> April, 2009. This committee will address all grievances of shareholders/investors in compliance of the provisions of clause 49 of the listing agreements with the Stock Exchanges.

**The status of the company's compliance with the provisions of clause 49 of the listing agreement is given below:**

Particulars	Clause of Listing Agreement	Compliance Status Yes / No/ NA	Remarks
<b>I. Board of Directors</b>	<b>49(I)</b>		
(A) Composition of Board	49(IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49(IB)	Yes	
(C) Other provisions as to Board and Committees	49(IC)	Yes	
(D) Code of Conduct	49(ID)	Yes	
<b>II. Audit Committee</b>	<b>49(II)</b>		
(A) Qualified & Independent Audit Committee	49(IIA)	Yes	
(B) Meeting of Audit Committee	49(IIB)	Yes	
(C) Powers of Audit Committee	49(IIC)	Yes	
(D) Role of Audit Committee	49(IID)	Yes	
(E) Review of Information by Audit Committee	49(IIE)	Yes	
<b>III. Subsidiary Companies</b>	<b>49(III)</b>	NA	There is no subsidiary of the Company
<b>IV. Disclosures</b>	<b>49(IV)</b>		
(A) Basis of related party transactions	49(IVA)	NA	
(B) Disclosure of Accounting Treatment	49(IVB)	NA	
(C) Board Disclosures	49(IVC)	Yes	

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(D) Proceeds from public issues, rights issues, preferential issues, etc.	49(IVD)	NA	
(E) Remuneration of Directors	49(IVE)	NA	No remuneration is being paid to any director including Managing Director
(F) Management	49(IVF)	Yes	
(G) Shareholders	49(IVG)	Yes	
<b>V. CEO / CFO Certification</b>	<b>49(V)</b>	NA	Shall be disclosed at the time of next AGM
<b>VI. Report on Corporate Governance</b>	<b>49(VI)</b>	NA	
<b>VII. Compliance</b>	<b>49(VII)</b>	NA	

### Shareholding of Directors

In terms of Article no. 85 of the Articles of Association of the Company, Directors are not required to hold any qualification shares.

The Shareholding of the Directors in the Company are set forth below:

<b>Sl. No.</b>	<b><u>Name and Address</u></b>	<b><u>No. of Equity shares subscribed</u></b>
1.	Mr. Shekhar Agarwal 7, Sadhana Enclave, New Delhi-110017	638690
2.	Mr. Riju Jhunjunwala 63, Friends Colony (East), New Delhi-110019	437500
3.	Mr. P.S. Dasgupta New Delhi Law Offices Rajendra Bhawan, 5 <sup>th</sup> Floor 210, deen Dayal Upadhyay Marg New Delhi-110002	Nil
4.	Mr. Pawan Deora E-953, C.R. Park New Delhi-110019	Nil

### Payment / Interests or benefits to Directors / officers of our Company

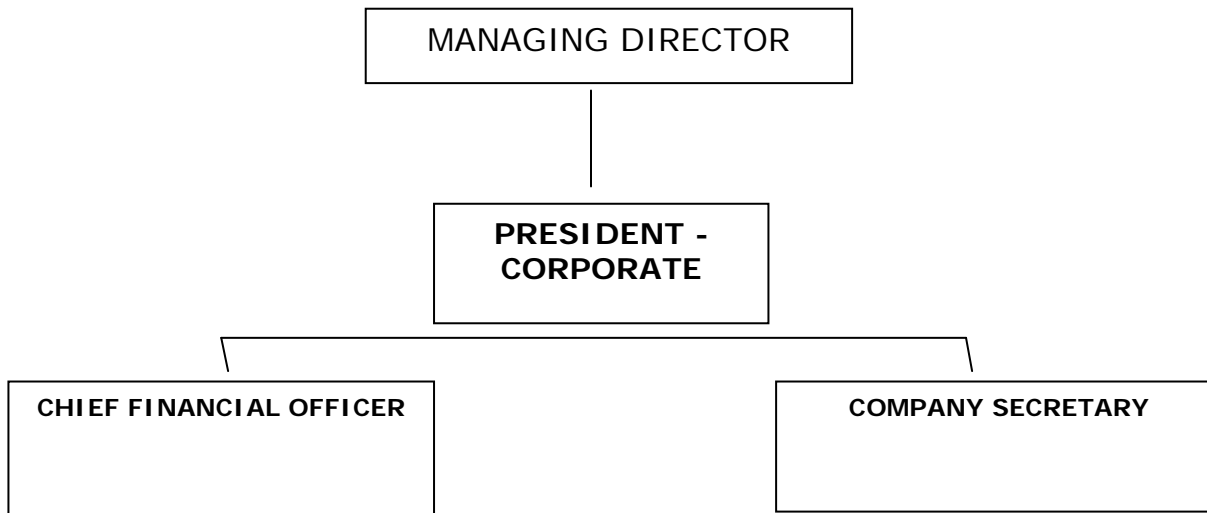
All the Directors, including the Independent Directors, may be deemed to be interested to the extent of fees and expenses, paid to them for attending meetings of the Board or a committee thereof and to the extent of dividend, if any, payable to them and distributed in respect of their shareholding in the Company or the shareholding of the companies, firms and trusts in which they are interested as Directors, members, Partners and / or trustees. The Managing Directors may be deemed to be interested to the extent of remuneration paid to them as employees of the Company. However it may be noted that at present the Managing Director is not drawing any remuneration from the Company.

## KEY MANAGERIAL PERSONNEL

BTTL is a new Company incorporated for the purpose of de-merger of Strategic Investment Division of RSWM. The key managerial personnel of our Company are as follows:



Sl. No.	Name of Key Managerial Personnel	Designation	Educational Qualification
1.	Mr. SHEKHAR AGARWAL	DIRECTOR	B.Tech (Mech) IIT, Msc. (Chicago)

## ORGANIZATION CHART



## PROMOTERS

Mr. Shekhar Agarwal and Mr. Ravi Jhunjhunwala are the Promoters of the company.

Name of the Promoter	SHEKHAR AGARWAL	RAVI JHUNJHUNWALA
Photos		
Driving Licence No.	P03091999157818	P03062003368787
Passport Number	Z1403685	F1796025
PAN	AAEPA6590M	AAGPJ0739D
Voter Id No	DL/02/007/21003	NA
Name of Bank and Branch	CORPORATION BANK	CORPORATION BANK
Bank Account No.	CLSB/01/020036	CLSB/01/050001

## Background

### Mr. Shekhar Agarwal

Mr. Shekhar Agarwal, Born in 1952, B.Tech. (Mechanical Engineering) from IIT, Kanpur in 1975 with distinction. Master of Science in Industrial & Systems Engineering in 1976 from Illinois Institute of Technology, Chicago, USA.

Mr. Shekhar Agarwal is the Vice Chairman of LNJ Bhilwara Group. He is also *Vice Chairman of RSWM Limited and HEG Limited*, the flagship Companies of the Group and Managing Director of Maral Overseas Ltd. Mr. Shekhar Agarwal joined the textiles business at the age of 28 years and took the challenge of setting up the first integrated textile mill of India in Jammu in technical collaboration with Devenlay of France - manufacturers of the world famous 'Lacoste' brand. This



small unit proliferated to the setting up of a much larger 100% EOU Company 'Maral Overseas Ltd.' and together they supply their product of knitted garment to world brand leaders.

Mr. Shekhar Agarwal also heads the manufacturing unit of Automotive Furnishing fabric which supplies fabrics to major automobile companies in India.

His farsighted vision, quality consciousness, market response, product improvement, modernization, tailoring of organizational requirements to changing needs and providing dynamic leadership has kept the entire Group's textile activities on the path of growth.

Formerly, he was the President of the Northern India Textile Mills Association and is immediate past President on the National Committee on Textiles of the Confederation of Indian Industry (CITI).

### **Ravi Jhunjunwala**

Ravi Jhunjunwala manages a Rs.3,400 crores, the LNJ Bhilwara business Group, started by his father, Lakshmi Niwas Jhunjunwala, a diversified conglomerate with interests in Textiles, Graphite Electrodes, Power and IT enabled services, having employee strength of around 25,000 across 36 locations in India.

With a Commerce Degree from Hindu College and Masters in Business Administration from the Centre D'etudes Industrielles (CEI), Geneva, Ravi joined HEG Limited as a Management Trainee and having gone through a very well planned grooming in all aspects of Business Management, was assigned the reins of HEG as Managing Director. In the mid-nineties, he embarked on a strategic business diversification plan of entering into hydro power generation. It was in 1996 that he was handed over charge of the entire group and took over as Chairman of the LNJ Bhilwara Group. He strives to fulfill his vision of positioning the group as a competitive global player.

His leadership has enabled the group gain significant stature on the global platform. His leadership, with high commitment towards quality, acquisition of world class knowledge and best management systems has prompted the group to enter into collaborations with some of the best associates in the world like SN Power-Norway for Hydro Power generation, RSW-Canada for Power Consultancy, Tencel-UK for Yarn Spinning, Hoechst-Germany for Flame Retardant Fabric and many more. These efforts have helped the group establish a presence in more than 75 countries across five continents today.

Ravi is a people person and is technology savvy. His elder son is supporting him in Textile Business and the younger son in the Power Business. Among his hobbies, he loves playing tennis and badminton; and is an ardent follower of Indian classical music.

## Promoter Group

Promoter group of BTTL as per clause 35 is as follows:

SN	Name
1	SHEKHAR AGARWAL
2	LAKSHMI NIWAS JHUNJHUNWALA
3	RAVI JHUNJHUNWALA
4	SHEKHAR AGARWAL
5	RIJU JHUNJHUNWALA
6	RISHABH JHUNJHUNWALA
7	SHANTANU AGARWAL
8	MANI DEVI JHUNJHUNWALA
9	RITA JHUNJHUNWALA
10	SHASHI AGARWAL
11	SHUCHI AGARWAL
12	SUSHILA DEVI CHOKHANI
13	LAKSHMINIWAS JHUNJHUNWALA(HUF)
14	RAVI JHUNJHUNWALA (HUF)
15	SHEKHAR AGARWAL (HUF)
16	SHEKHAR AGARWAL
17	SHEKHAR AGARWAL
18	LNJ FINANCIAL SERVICES LTD.
19	NIVEDAN VANIJYA NIYOJAN LTD.
20	PURVI VANIJYA NIYOJAN LTD.
21	M/S. INVESTORS (I) LTD.
22	ESSAY MARKETING CO. LTD.
23	SUKANT MANAGEMENT PVT. LTD.
24	JYOTI KNITS PVT. LTD.
25	RAMAKANT SALES & SERVICES PVT. LTD.
26	BHARAT INVESTMENTS GROWTH LTD.
27	DEEPAK KNITS & TEXTURIES PVT. LTD.
28	KALATI HOLDING (P) LTD.
29	VIVEK GARMENTS PVT. LTD.
30	RAGHAV COMMERCIAL LTD.
31	EXPERT FABRICS & TEXTILE PVT. LTD.
32	BHILWARA COMMERCE PVT. LTD.
33	AGARWAL FINESTATE PVT. LTD.
34	INDIA TEX FAB MARKETING LTD.
35	MICRO BASE LTD.
36	MICROLIGHT INVESTMENTS LTD.
37	CORN HILL INVESTMENTS LTD.

### **Common Pursuits**

As on date, there are no common Pursuits that may lead to conflict of interest in the business of the Company and other firms/companies promoted by the Promoters

### **Interest of the Promoters**

The Promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding Directorship in the Company. The Promoters are not interested in any property, if acquired by BTTL Limited within two years prior the date of the Information Memorandum. The Promoters are neither interested in any loan or advance given by the Company, nor are they beneficiary of any such loans or advances.

### **Payment or benefit to Promoters of the Company**

No payments or benefits are being made to the Promoters of the Company.

### **Related Party Transaction**

Related party transactions please have been disclosed in the notes to the Audited Annual Accounts of the Company for the year ended March 31, 2009 in the section "Financial Information of this Information Memorandum.

### **Disclosure on negative net worth / winding up / sick / BIFR / disassociation / strike off from ROC.**

Unless stated otherwise in this Information Memorandum, none of the companies constituting our Promoter Group have become sick companies within the meaning of SICA or are under winding up.

Further, none of Group Companies have applied for striking off their name from the RoC.

## **DIVIDEND POLICY**

Dividends, other than interim dividends, if any, will be declared at the Annual General Meetings of the shareholders of the Company based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the shareholders. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, but not limited to, the future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also, from time to time, pay interim dividends to the shareholders of the Company.

However, the Company has not started the business yet so there is no declaration of dividend.

## GROUP COMPANIES FINANCIAL AND OTHER INFORMATION

### 1. RSWM LIMITED

RSWM Limited (formerly Rajasthan Spinning & Weaving Mills Ltd.) was incorporated as a public limited Company on the 17th Day of October 1960 and Its CIN No. L17115RJ1960PLC008216. The Company is listed on BSE and NSE.

The registered office of the Company is situated at Kharigram, P.O. Gulabpura-311021, Dist. Bhilwara, Rajasthan.

RSWM is a professionally managed, progressive and growth oriented company with business interests in Yarn, Fabrics, Garments and Denim. It is one of the largest producers and exporters of polyester viscose blended yarn in the country. The company operates around 3,60,000 spindles and produces 1,00,000 MT of yarn per year.

There are Ten (10) directors in its Board of Directors.

NAME	DESIGNATION
Mr. L.N. Jhunjunwala	Chairman – Emeritus
Mr. Ravi Jhunjunwala	Chairman
Mr. Shekhar Agarwal	Vice Chairman
Mr. A. K. Churiwal	Managing Director
Mr. J.C. Laddha	Executive Director and Chief Financial Officer
Dr. Kamal Gupta	Director
Mr. D. N. Davar	Director
Mr. Sushil Jhunjunwala	Director
Mr. Mukul Sarkar	Nominee Exim Bank
Mr. A. N. Choudhary	Director

The day to day affairs are being looked after by Mr. A.K. Churiwal, who is the Managing Director. He is assisted by a team of qualified and experienced personnel.

The Financial Information of the Company as per its audited Balance Sheets, are as below:

RSWM Limited		For the Financial Year Ended 31 <sup>st</sup> March ( Rs in crore)		
S.No.	Particulars	2006-07	2007-08	2008-09
1	Equity Share Capital	23.15	23.15	<b>23.15</b>
2	Reserves	241.65	243.79	<b>172.36</b>
3	Preoperative Expenses	0.00	0.00	<b>0.00</b>

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4	Income	1045.16	1231.25	<b>1280.53</b>
5	Profit/ (Loss) after Tax	44.07	0.27	<b>(63.85)</b>
6	Earning Per Share (in Rs.)	19.04	0.12	<b>(28.01)</b>
7	Book Value Per Share (in Rs.)	132.69	134.59	<b>98.19</b>

**Shareholding Pattern as on 30.06.2009**

Category	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)[1]	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	15	2574814	1726126	11.12	11.12	NIL	NIL
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	17	3922585	3921085	16.95	16.95	NIL	NIL
(d)	Financial Institutions/ Banks							
(e)	Any Other (specify)							
	<b>Sub-Total (A)(1)</b>	<b>32</b>	<b>6497399</b>	<b>5647211</b>	<b>28.07</b>	<b>28.07</b>	<b>NIL</b>	<b>NIL</b>
<b>(2)</b>	<b>Foreign</b>							

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(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)							
(b)	Bodies Corporate	3	4934770	4934770	21.32	21.32	NIL	NIL
(c)	Institutions							
(d)	Any Other (specify)							
	<b>Sub-Total (A)(2)</b>	<b>3</b>	<b>4934770</b>	<b>4934770</b>	<b>21.32</b>	<b>21.32</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>35</b>	<b>11432169</b>	<b>10581981</b>	<b>49.39</b>	<b>49.39</b>	<b>NIL</b>	<b>NIL</b>
<b>(B)</b>	<b>Public shareholding</b>						<b>N.A.</b>	<b>N.A.</b>
<b>(1)</b>	<b>Institutions</b>						<b>N.A.</b>	<b>N.A.</b>
(a)	Mutual Funds/ UTI	12	21184	425	0.09	0.09		
(b)	Financial Institutions/ Banks	12	21641	20147	0.09	0.09		
(c)	Central Government/ State Government(s)	1	1732		0.01	0.01		
(d)	Venture Capital Funds							
(e)	Insurance Companies	4	1744498	1744498	7.54	7.54		
(f)	Foreign Institutional Investors	5	276757	276657	1.20	1.19		
(g)	Foreign Venture Capital Investors							
(h)	Any Other (specify)							
	<b>Sub-Total (B)(1)</b>	<b>34</b>	<b>2065812</b>	<b>2041727</b>	<b>8.92</b>	<b>8.92</b>		
<b>(2)</b>	<b>Non- institutions</b>						<b>N.A.</b>	<b>N.A.</b>

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(a)	Bodies Corporate	438	3616387	2974634	15.62	15.62		
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	13664	3646013	3078747	15.75	15.75		
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	49	2277872	2251358	9.84	9.84		
(c)	Any Other (Clearing Members), Transit & Margin A/c.shares (NSDL+CDSL)	83	110436	110436	0.48	0.48		
	<b>Sub-Total (B)(2)</b>	<b>14234</b>	<b>9650708</b>	<b>8415175</b>	<b>41.69</b>	<b>41.69</b>		
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>14268</b>	<b>11716520</b>	<b>10456902</b>	<b>50.61</b>	<b>50.61</b>	<b>N.A.</b>	<b>N.A.</b>
	<b>TOTAL (A)+(B)</b>	<b>14303</b>	<b>23148689</b>	<b>21038883</b>	<b>100.00</b>	<b>100.00</b>	<b>N.A.</b>	<b>N.A.</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0		<b>N.A.</b>	<b>N.A.</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>14303</b>	<b>23148689</b>	<b>21038883</b>	<b>0</b>			

**Monthly High and Low Price during preceding 6 months**

Month	BSE		NSE	
	High	Low	High	Low
Aug 2009	79.50	63.50	79.75	62.00



July 2009	66.25	47.50	66.10	47.30
June 2009	56.40	41.05	57.80	40.85
May 2009	51.20	31.10	52.40	30.25
Apr 2009	42.95	26.60	42.70	25.00
March 2009	33.40	23.00	33.65	23.40

## **2. HEG LIMITED**

HEG Limited was incorporated as a public limited company on the 27th Day of October 1972 vide Certificate of Incorporation no. 6345. CIN No. of the Company is L23109MP1972PLC008290. The Company is listed on BSE, NSE and Madhya Pradesh Stock exchange Limited.

The registered office of the Company is situated at Mandideep (Near Bhopal), Distt., Raisen, Madhya Pradesh, India-462046.

HEG is a diversified company with interests in Graphite Electrodes and Power. From a modest investment made in 1977, the company reported a turnover of Rs. 6500 million (US\$140 million) in fiscal 2007. HEG is Asia's leading graphite electrodes manufacturer and exporter. It is an ISO 9001 & ISO 14000 Certified Company, by M/s Bureau Veritas.

### **Management Structure**

There are Twelve (12) directors in its Board of Directors.

<b>NAME</b>	<b>DESIGNATION</b>
Mr. L N Jhunjunwala	Chairman Emeritus
Mr. Ravi Jhunjunwala	Chairman & Managing Director
Mr. Shekhar Agarwal	Vice Chairman
Dr. Kamal Gupta	Director
Mr. D N Davar	Director
Mr. P Murari IAS (Retd.)	Director
Mr. V K Mehta	Director
Mr. N Mehta	Alternate Director (V K Mehta)
Mr. N Mohan Raj	Nominee-LIC
Mr. Riju Jhunjunwala	Executive Director
Mr. R C Surana	Executive Director & CEO
Mr. Kashi N Memani	Director
Dr. O.P. Bahl	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

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Bhilwara Technical Textiles Limited

HEG Limited		For the Financial Year Ended 31 <sup>st</sup> March (Rs in crore)		
S.No.	Particulars	2006-07	2007-08	2008-09
1	Equity Share Capital	40.31	44.32	<b>42.57</b>
2	Reserves	317.87	483.44	<b>533.70</b>
3	Preoperative Expenses	0.00	0.00	<b>0.00</b>
4	Income	873.37	1001.68	<b>1,102.15</b>
5	Prifit/(Loss) after Tax	73.84	146.35	<b>106.99</b>
6	Earning Per Share (in Rs.)	18.32	35.17	<b>24.36</b>
7	Book Value Per Share (in Rs.)	88.86	119.08	<b>134.60</b>

**Shareholding Pattern as on 30.06.2009**

Category Code	Category of shareholder	No. of shareholders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					Total shareholding as a % of (A+B) <sup>1</sup>	Total shareholding as a % of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>					
<b>-1</b>	<b>Indian</b>					
(a)	Individuals/Hindu Undivided Family	12	1332402	1030998	3.18	3.18
(b)	Central Government/State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	18	8858792	7865942	21.16	21.16
(d)	Financial Institutions/Banks	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	30	10191194	8896940	24.34	24.34
<b>-2</b>	<b>Foreign</b>					
(a)	Individuals (Non-Resident)	0	0	0	0	0

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Bhilwara Technical Textiles Limited

	Individuals / Foreign Individuals)					
(b)	Bodies Corporate	4	11853067	11818107	28.31	28.31
(c)	Institutions	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(2)</b>	4	11853067	11818107	28.31	28.31
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	34	22044261	20715047	52.66	52.66
<b>(B)</b>	<b>Public Shareholding <sup>3</sup></b>					
<b>-1</b>	<b>Institutions</b>					
(a)	Mutual Funds / UTI	21	1103626	1098476	2.64	2.64
(b)	Financial Institutions / Banks	9	7007	5895	0.02	0.02
(c)	Central Government / State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	6	4442493	4442493	10.61	10.61
(f)	Foreign Institutional Investors	15	1309016	1309016	3.13	3.13
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	51	6862142	6855880	16.39	16.39
<b>-2</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	888	3704246	3689992	8.85	8.85
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh.	34369	5319782	3979352	12.71	12.71
	ii. Individual shareholders	34	861469	846595	2.06	2.06

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	holding nominal share capital in excess of Rs. 1 Lakh.					
(c)	Any Other (specify)	290	3070963	3065418	7.34	7.34
	<b>Sub-Total (B)(2)</b>	35581	12956460	11581357	30.95	30.95
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	35632	19818602	18437237	47.34	47.34
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	35666	41862863	39152284	0	100

**Monthly High and Low Price during preceding 6 months**

Month	BSE		NSE	
	High	Low	High	Low
Aug 2009	293.65	242.15	283.80	251.60
July 2009	267.00	185.00	266.85	185.00
June 2009	205.70	165.00	208.00	174.00
May 2009	186.00	122.00	185.90	122.00
Apr 2009	132.00	94.50	132.00	95.55
March 2009	108.00	94.00	106.00	94.00

**3. BSL LIMITED**

The Company was incorporated on 24<sup>th</sup> Day of October, 1970 under the name "Raj General Udyog Private Limited". The name was changed to "Bhilwara Silk Mills Private Limited" and the necessary certificate was issued in this regard by the Registrar of Companies on 14<sup>th</sup> day of September, 1973. Further, the name was changed to "Bhilwara Silk Mills Limited" and the necessary certificate was issued in this regard by the Registrar of Companies, on 6<sup>th</sup> day of May, 1976. The name of the Company was again changed to Bhilwara Synthetics Limited and the necessary certificate was issued in this regard by the Registrar of Companies, on 20<sup>th</sup> September, 1977. Finally the name of the Company was changed to BSL Limited and the necessary certificate was issued in this regard by the Registrar of Companies on the 19<sup>th</sup> day of July, 1994. The Company is listed on BSE and NSE.

The Registered office of BSL Limited is situated at 26 Industrial Area, Post Box No.17, Gandhi Nagar, Bhilwara, Rajasthan-311001.

The Business activities of the company are yarn, fabric manufacturing & Wind Power Generation.

### Management Structure

There are Eight (8) directors in its Board of Directors.

NAME	DESIGNATION
Mr. Arun Kumar Churiwal	Chairman & Managing Director
Mr. Ravi Jhunjhunwala	Director
Mr. Shekhar Agarwal	Director
Mr. Sushil Jhunjhunwala	Director
Mr. A.N. Choudhary	Director
Mr. Sushil Kumar Churiwala	Director
Mr. Salil Bhandari	Director
Mr. Nivedan Churiwal	Executive Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

BSL Limited		For the Financial Year Ended 31st March (Rs. in crore)		
S.No.	Particulars	2006-07	2007-08	2008-09
1	Equity Share Capital	7.33	7.33	<b>7.33</b>
2	Reserves	39.35	32.79	<b>32.84</b>
3	Income	184.26	183.33	<b>188.82</b>
4	Profit/(Loss) after Tax	(0.40)	(6.55)	<b>0.05</b>
5	Earning Per Share (in Rs.)	(0.55)	(8.93)	<b>0.07</b>
6	Book Value Per Share (in Rs.)	63.64	54.70	<b>54.77</b>

### Shareholding pattern as on 30.06.2009

Category Code	Category shareholder of	No. of shareholders	Total no. of shares	No. of shares held in de materialized form	Total shareholding as a percentage of total number of shares	
					Total shareholding as a % of (A+B) <sup>1</sup>	Total shareholding as a % of (A+B+C)

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<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>					
<b>-1</b>	<b>Indian</b>					
(a)	Individuals/Hindu Undivided Family	10	460341	69200	6.28	6.28
(b)	Central Government/State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	36	2797427	1133630	38.14	38.14
(d)	Financial Institutions/Banks	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>46</b>	<b>3257768</b>	<b>1202830</b>	<b>44.42</b>	<b>44.42</b>
<b>-2</b>	<b>Foreign</b>					
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0
(b)	Bodies Corporate	4	287000	241000	3.91	3.91
(c)	Institutions	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (A)(2)</b>	<b>4</b>	<b>287000</b>	<b>241000</b>	<b>3.91</b>	<b>3.91</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>50</b>	<b>3544768</b>	<b>1443830</b>	<b>48.33</b>	<b>48.33</b>
<b>(B)</b>	<b>Public Shareholding<sup>3</sup></b>					
<b>-1</b>	<b>Institutions</b>					
(a)	Mutual Funds / UTI	4	550	0	0.01	0.01
(b)	Financial Institutions / Banks	9	618166	617408	8.43	8.43
(c)	Central Government / State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0

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(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	13	618716	617408	8.44	8.44
<b>-2</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	211	870505	726798	11.87	11.87
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh.	9701	1943710	1336549	26.5	26.5
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	8	290718	290718	3.96	3.96
(c)	Any Other (specify)	114	66282	33295	0.9	0.9
	<b>Sub-Total (B)(2)</b>	10034	3171215	2387360	43.24	43.24
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	10047	3789931	3004768	51.67	51.67
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	10097	7334699	4448598	0	100

**Monthly High and Low Price during preceding 6 months**

Month	BSE		NSE	
	High	Low	High	Low
Aug 2009	19.25	16.30	18.75	16.25
July 2009	18.65	15.25	18.35	15.75
June 2009	24.75	16.95	24.50	17.15
May 2009	19.68	12.10	19.70	12.30
Apr 2009	13.80	9.55	13.80	9.45

March 2009	11.70	9.35	11.95	9.50
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#### **4. BHILWARA SPINNERS LIMITED**

Bhilwara Spinners Limited originally incorporated under the name of Bhilwara Texturisers Private Limited on 7<sup>th</sup> June 1980 and the Company's name was changed to Bhilwara Spinners Private Limited vide fresh certificate of incorporation dated 4<sup>th</sup> February, 1983 which was subsequently changed into public Limited company under the name of Bhilwara Spinners Limited vide fresh certificate of incorporation dated 11<sup>th</sup> February, 1983 issued by The Registrar of companies, Delhi & Haryana, New Delhi. The Company is listed on BSE.

The registered office of the company is situated at 26, Industrial Area, Bhilwara-311001, Rajasthan

The Company is engaged in the manufacture of cotton yarn, synthetic blended yarn, hosiery yarn.

#### **Management Structure**

There are six (06) directors in its Board of Directors.

<b>NAME</b>	<b>DESIGNATION</b>
Mr. L. N. Jhunjunwala	Chairman Emeritus
Mr. Ravi Jhunjunwala	Chairman
Mr. R. N. Gupta	Managing Director
Mr. B.N. Fitkariwala	Director
Mr. B.P. Singh	Director
Mr. Ravindra Bhandari	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

<b>Bhilwara Spinners Limited</b>		<b>For the Financial Year Ended 31st March (Rs in crore)</b>		
<b>S.No.</b>	<b>Particulars</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
1	Equity Share Capital	6.76	6.76	<b>6.76</b>
2	Reserves	4.22	4.22	<b>4.22</b>
3	Preoperative Expenses	0.00	0.00	<b>0.00</b>
4	Income	93.22	84.09	<b>52.06</b>
5	Profit/(Loss) after Tax	(0.11)	0.99	<b>(3.74)</b>



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6	Earning Per Share (in Rs.)	(0.16)	1.46	<b>(5.53)</b>
7	Book Value Per Share (in Rs.)	13.20	14.67	<b>9.04</b>

**Shareholding Pattern as on 30.06.2009**

Category	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a Percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>					
<b>(1)</b>	<b>Indian</b>					
(a)	Individuals/ Hindu Undivided Family	1	1000		0.01	0.01
(b)	Central Government/ State Government(s)					
(c)	Bodies Corporate	8	3112100	577650	46.03	46.03
(d)	Financial Institutions/ Banks					
(e)	Any Other (specify)					
	<b>Sub-Total (A)(1)</b>	9	3113100	577650	46.04	46.04
<b>(2)</b>	<b>Foreign</b>					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)					
(b)	Bodies Corporate					

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(c)	Institutions					
(d)	Any Other (specify)					
	<b>Sub-Total (A)(2)</b>					
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	9	3113100	577650	46.04	46.04
<b>(B)</b>	<b>Public Shareholding</b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	2	2800		0.04	0.04
(b)	Financial Institutions/ Banks					
(c)	Central Government/ State Government(s)					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other (specify)					
	<b>Sub-Total (B)(1)</b>	2	2800		0.05	0.05
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	113	920843	211843	13.62	13.62
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	8601	2222399	1124689	32.87	32.87
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	470881	170881	6.96	6.96

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(c)	Any Other (Clearing Members), Transit & Margin A/c. shares (NSDL+CDSL).	19	31107	31107	0.47	0.47
	<b>Sub-Total (B)(2)</b>	8745	3645230	1538520	53.91	53.91
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	8747	3648030	1538520	53.96	53.96
	<b>TOTAL (A)+(B)</b>	8756	6761130	2116170	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued					N.A.
	<b>GRAND TOTAL (A)+(B)+(C)</b>	8756	6761130	2116170		N.A.

**Monthly High and Low Price during preceding 6 months**

Month	BSE		NSE	
	High	Low	High	Low
Aug 2009	13.65	11.60	N.A.	N.A.
July 2009	17.74	11.88	N.A.	N.A.
June 2009	14.60	10.66	N.A.	N.A.
May 2009	11.03	8.65	N.A.	N.A.
Apr 2009	9.50	8.01	N.A.	N.A.
March 2009	11.10	7.80	N.A.	N.A.

**5. MARAL OVEARSEAS LIMITED**

Maral Overseas Ltd was originally incorporated as Maral Overseas Limited on 27th of January, 1989 with the Registrar of Companies, Delhi and Haryana. The Company obtained the Certificate of Commencement of Business on 7th February, 1989.

The registered office of the company sits at Maral Sarovar, V. & P.O. Khalbujurg, Tehsil, Kasrawad, Distt. Khargone- 451660, Madhya Pradesh. The Company is listed on BSE & NSE.

Maral Overseas Ltd is engaged in the business of manufacturing and dealing in yarn, fabric, garment etc.

### Management Structure

There are six (06) directors in its Board of Directors.

NAME	DESIGNATION
Mr. L. N. Jhunjhunwala	Chairman - Emeritus
Mr. Ravi Jhunjhunwala	Chairman
Mr. Shekhar Agarwal	Managing Director
Dr. Kamal Gupta	Director
Mr. P S Dasgupta	Director
Mr. D N Davar	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

Maral Overseas Ltd		For the Financial Year Ended 31st March (Rs in lacs)		
S.No.	Particulars	2005-06	2006-07	2007-08
1	Equity Share Capital	2175.80	2175.80	2175.80
2	Reserves	6497.10	4046.51	(445.1)
3	Misc Expenses	52.74	29.67	17.99
4	Income	26029.28	28941.71	31527.66
5	Profit/(Loss) after Tax	49.44	(2450.59)	(4491.61)
6	Earning Per Share (in Rs.)	0.23	(11.26)	(20.64)
7	Book Value Per Share (in Rs.)	39.62	28.46	7.87

### Shareholding Pattern as on 30.06.2009

MARAL OVERSEAS LIMITED				
Category	Category of shareholder	Number of shareholders	Total number of shares	%
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			

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<b>(A)</b>	<b>Promoters</b>			
	HEG Ltd		2941000	13.52
	RSWM Ltd.		1510000	6.94
	<b>Total-(a)</b>	<b>2</b>	<b>4451000</b>	<b>20.46</b>
<b>(B)</b>	<b>Promoter Group</b>			
	ESSAY MARKETING CO. LTD.		1406700	6.47
	DIPLOMAT LEASING AND FINANCE (P) LTD		1135500	5.22
	MAYUR KNITS PVT LTD		745855	3.43
	JYOTI KNITS PVT LIMITED		658200	3.03
	AGARWAL FINESTATE PVT LTD		189301	0.87
	AGARWAL TRADEMART PVT. LIMITED		10000	0.05
	RAGHAV KNITS AND TEXTILES PVT LTD		545000	2.50
	SH. SHEKHAR AGARWAL		755573	3.47
	SH. SHEKHAR AGARWAL HUF		403800	1.86
	SMT. SHASHI AGARWAL		687600	3.16
	MISS SHUCHI AGARWAL		406100	1.87
	SH. SHANTANU AGARWAL		554500	2.55
	SMT. RITA JHUNJHUNWALA		200	0.00
	SH. RAVI JHUNJHUNWALA		10	0.00
	SMT. RAJ KUMARI MARODIA		100	0.00
	SH. DEEPAK MARODIA		100	0.00
	SH. SHEKHAR AGARWAL		2750	0.01
	SH. SHEKHAR AGARWAL		2750	0.01
	SH. UMA SHANKAR SARAOGI		1000	0.00
	SMT. ALKA AGARWAL		4200	0.02
	SH. SAURABH AGARWAL		3000	0.01
	Total (B)	21	7512239	34.52
	<b>Sub-Total (A) + (B)</b>	<b>23</b>	<b>11963239</b>	<b>54.98</b>
<b>(2)</b>	<b>Foreign</b>	<b>0</b>	<b>0</b>	<b>0</b>

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(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0
(b)	Bodies Corporate	0	0	0
(c)	Institutions	0	0	0
(d)	Any Other (specify)	0	0	0
	<b>Sub-Total (A)(2)</b>	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	23	11963239	54.98
<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds/ UTI	6	1100	0.01
(b)	Financial Institutions/ Banks	3	700	0.00
(c)	Central Government/ State Government(s)			
(d)	Venture Capital Funds			
(e)	Insurance Companies	1	30000	0.14
(f)	Foreign Institutional Investors	6	5800	0.03
(g)	Foreign Venture Capital Investors			
(h)	Any Other (specify)			
	<b>Sub-Total (B)(1)</b>	16	37600	0.18
<b>(2)</b>	<b>Non-institutions</b>			
(a)	Bodies Corporate	365	1371952	6.30
(b)	Individuals -			
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	19799	6602462	30.34
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	67	1650602	7.59
(c)	Any Other (specify) NSDL + CDSL Transit shares	56	132145	0.61
	<b>Sub-Total (B)(2)</b>	20287	9757161	44.84
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	20303	9794761	45.02

<b>TOTAL (A) + (B)</b>	20326	21758000	100.00
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**Monthly High and Low Price during preceding 6 months**

Months	BSE		NSE	
	High	Low	High	Low
Aug 2009	9.21	7.71	9.05	7.75
July 2009	8.78	6.50	8.85	6.60
June 2009	10.25	7.40	10.25	7.50
May 2009	8.55	5.52	8.85	5.65
April 2009	7.45	4.72	7.60	4.40
March 2009	5.00	4.11	5.40	4.10

**6. BMD PVT. LTD.**

The company was incorporated on 22<sup>nd</sup> August, 1996 having its registered office of the Company is situated at Village Mordi. Thesil- Ghatol, Bansawara, Rajasthan.

**BMD Pvt. Ltd.** was promoted as a Joint Venture in 1997 (originally christened as Bhilwara Melba De Witte Pvt. Ltd.) between Rajasthan Spinning and Weaving Mills Ltd., Flagship Company of LNJ Bhilwara Group in India (50%), De Witte Lietaer, a part of Gamma Holding in Belgium (25%) and Melba Industries, Australia (25%) to manufacture **Specialised Automotive Furnishing Fabric** meeting international standards for the growing market for passenger cars. The financial and technical tie up between the promoting partners ensured transfer of technology, training of personnel and sharing of design and product development on continuous basis.

The JV Project was mooted in 1996-97 and commissioned in early 1998. In the year 2002, Melba Industries exited making the JV a 50:50 entity between LNJ Bhilwara Group and DWL, Belgium. Subsequently, in the year 2006, DWL also decided to go in for disinvestments and LNJ Bhilwara Group acquired the entire share holding in BMD.

**Management Structure**

There are four (04) directors in its Board of Directors.

NAME	DESIGNATION
Mr. Shekhar Agarwal	Director
Mr. Ravi Jhunjhunwala	Director
Mr. J. C. Laddha	Director
Mr. R. S. Dugar	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

		<b>For the Financial Year Ended 31st March (Rs. in crore)</b>		
<b>S.No.</b>	<b>Particulars</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
1	Equity Share Capital	13.20	13.20	<b>13.20</b>
2	Reserves	51.33	65.56	<b>72.65</b>
3	Preoperative Expenses	0	0	<b>0</b>
4	Income	90.02	113.64	<b>100.73</b>
5	Profit/loss after Tax	11.80	15.76	<b>9.02</b>
6	Earning Per Share (in Rs.)	8.94	11.94	<b>6.84</b>
7	Book Value Per Share (in Rs.)	52.75	63.20	<b>68.87</b>

#### **Shareholding Pattern as on 30.06.2009**

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of shares</b>	<b>%</b>
1	Bhilwara Technical Textiles Limited	6,600,000	50
2	MG Marketing and Trading Private Limited	3,300,000	25
3	Panette Limited	3,300,000	25
		<b>13,200,000</b>	<b>100</b>

#### **7. ESSAY MARKETING CO. LIMITED**

Eassy Marketing Co. Limited was incorporated as a public limited Company on the 20<sup>th</sup> February, 1991. Its Corporate Identity No. is U51909DL1991PLC043187.

The registered office of the Company is situated at 40-41, Community Center, New Friends Colony, New Delhi-110065.

#### **Management Structure**

There are three (3) directors in its Board of Directors:

<b>Name</b>	<b>Designation</b>
Mr. Shekhar Agarwal	Director
Mr. Vimal Banka	Director
Mr. Dinesh Kejariwal	Director



The Financial Information of the Company as per its audited Balance Sheets, are as below:

Particulars	For the Financial Year Ended 31st March (Rs. In lacs)		
	2005-06	2006-07	2007-08
Total Income	9.27	19.15	1.06
Profit/(Loss) after Tax	3.37	11.68	(4.66)
Equity Share Capital(of Rs.10/- each)	48.00	48.00	48.00
Reserve & Surplus	210.88	222.56	217.90
Earning per Share (In Rs.)	0.70	2.43	(0.97)
Book Value per Share (In Rs.)	53.93	56.36	55.39

#### Shareholding Pattern as on 30.06.2009

SI No.	Name	No. of Shares	%
1.	Smt Shashi Agarwal	1,35,010	28.12
2.	Shekhar Agarwal (HUF)	45,000	9.38
3.	Ms. Shuchi Agarwal	1,05,000	21.88
4.	Sh. Shantanu Agarwal	80,000	16.66
5.	Raghav Knits and Textiles Pvt. Ltd.	40,000	8.33
6.	Mayur Knits Pvt. Limited	75,000	15.62
7.	Others	60	0.01
	<b>Total</b>	<b>4,80,070</b>	<b>100.00</b>

#### 8. AGARWAL FINESTATE PRIVATE LIMITED

Agarwal Finestate Private Limited was incorporated as a private limited Company on the 21st Day of August 1995. Its Corporate Identity No. is U74899DL1995PTC071700.

The registered office of the Company is situated at 40-41, Community Center, New Friends Colony, New Delhi-110065.

#### Management Structure

There are two directors in its Board of Directors:

Name	Designation
Mr. Shekhar Agarwal	Director
Smt. Shashi Agarwal	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

Particulars	For the Financial Year Ended 31 <sup>st</sup> March (Rs. in lacs)		
	2005-06	2006-07	2007-08
Total Income	0.66	0.94	36.03
Profit/(Loss) after Tax	(9.06)	(8.85)	(13.99)
Equity Share Capital (of Rs. 10/- each)	66.30	66.30	66.30
Reserve & Surplus	33.46	24.60	10.62
Earning per Share (In Rs.)	(1.40)	(1.34)	(2.11)
Book Value per Share (In Rs.)	15.05	13.71	11.66

### Shareholding Pattern as on 30.06.2009

Sl. No.	Name	No. of Shares held	% Holding
1.	Essay Marketing Co. Ltd.	15,000	2.00
2.	Smt Shashi Agarwal	1,35,020	21.00
3.	Shekhar Agarwal (HUF)	45,000	7.00
4.	Ms. Shuchi Agarwal	1,15,000	17.00
5.	Mr. Shantanu Agarwal	1,45,000	22.00
6.	Mayur Knits Pvt. Ltd.	20,000	3.00
7.	Others	1,88,000	28.00
	<b>TOTAL</b>	<b>6,63,020</b>	<b>100.00</b>

### 9. RAGHAV KNITS AND TEXTILES PRIVATE LIMITED

Raghav Knits and Textiles Private Limited was incorporated as a private limited Company on the 31<sup>st</sup> day of December 1990. Its Corporate Identity No. is U748899DL1990PTC042554.

The registered office of the Company is situated at 40-41, Community Center New Friends Colony, New Delhi-110065.

#### Management Structure

There are two (2) directors in its Board of Directors

Name	Designation
Mr. Naveen Maheshwari	Director
Mr. Vimal Banka	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

Particulars	For the Financial Year Ended 31 <sup>st</sup> March (Rs. in lacs)		
	2005-06	2006-07	2007-08
Total Income	5.61	5.07	3.76
Profit/(Loss) after Tax	(0.58)	(6.77)	(6.18)
Equity Share Capital (of Rs.10/- each)	24.50	24.50	24.50
Reserve & Surplus	73.16	66.39	60.21
Earning per Share (In Rs.)	(0.24)	(2.76)	(2.52)
Book Value per Share (In Rs.)	39.86	37.10	34.57

**Shareholding Pattern as on 30.06.2009**

Sl. No.	Name	No. of Shares Held	% Holding
1	Smt Shashi Agarwal	55,000	22.45
2	Shekhar Agarwal (HUF)	30,000	12.24
3	Ms. Shuchi Agarwal	50,000	20.41
4	Mr. Shantanu Agarwal	70,000	28.56
5	Mayur Knits Pvt. Ltd.	40,000	16.33
6	Others	20	0.01
	<b>TOTAL</b>	<b>2,45,020</b>	<b>100.00</b>

**10. MAYUR KNITS PVT. LIMITED**

Mayur Knits Pvt. Limited was incorporated as a pvt limited Company on the 28<sup>th</sup> Day of December 1990. Its Corporate Identity No. is U74899DL1990PTC042539.

The registered office of the Company is situated at 40-41, Community Center New Friends Colony, New Delhi-110065.

**Management Structure**

There are two directors in its Board of Directors:

Name	Designation
Mr. Y.P. Thakur	Director
Mr. Chetan Sachdeva	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

Particulars	For the Financial Year Ended 31 <sup>st</sup> March (Rs. In lacs)		
	2005-06	2006-07	2007-08
Total Income	2.49	1.68	1.80
Profit/(Loss) after Tax	(1.76)	(5.93)	(3.60)
Equity Share Capital (of Rs.10/- each)	99.95	99.95	99.95
Reserve & Surplus	50.02	44.10	40.49
Earning per Share (In Rs.)	(0.18)	(0.59)	(0.36)
Book Value per Share (In Rs.)	15.00	14.41	14.05

### Shareholding Pattern as on 30.06.2009

Sl. No.	Name	No. of Shares	%
1.	Smt Shashi Agarwal	95,500	9.55
2.	Shekhar Agarwal (HUF)	30,000	3.00
3.	Ms. Shuchi Agarwal	95,000	9.55
4.	Mr. Shantanu Agarwal	1,30,000	13.01
5.	Raghav Knits and Textiles Pvt. Ltd.	1,20,000	12.01
6.	Jyoti Knits Pvt. Limited	1,93,000	19.31
7.	Essay Marketing Co. Limited	1,86,000	18.61
8.	Agarwal Finestate Pvt. Limited	1,50,000	15.01
9.	Others	20	0.00
	<b>TOTAL</b>	<b>9,99,520</b>	<b>100.00</b>

### 11. JYOTI KNITS PRIVATE LIMITED

Jyoti Knits Private Limited was incorporated as a private limited Company on the 16th day of January 1991. Its Corporate Identity No. is U74899DL1991PTC042751.

The registered office of the Company is situated at 40-41, Community Center New Friends Colony, New Delhi-110065.

### Management Structure

There are two directors in its Board of Directors:

Name	Designation
Mr. Naveen Maheshwari	Director
Mr. Subhash Sharma	Director

**Shareholding Pattern as on 30.06.2009**

Sl. No.	Name	No. of Shares	%
1.	Smt Shashi Agarwal	45,000	18.37
2.	Mr. Shekhar Agarwal (HUF)	10,000	4.08
3.	Ms. Shuchi Agarwal	40,000	16.33
4.	Mr. Shantanu Agarwal	25,000	10.20
5.	Raghav Knits and Textiles Pvt. Ltd.	45,000	18.37
6.	Essay Marketing Co. Limited	40,000	16.32
7.	Agarwal Finestate Pvt. Limited	40,000	16.32
8.	Others	20	0.01
	<b>TOTAL</b>	<b>2,45,020</b>	<b>100.00</b>

The Financial Information of the Company as per its audited Balance Sheets, are as below:

Particulars	For the Financial Year Ended 31 <sup>st</sup> March (Rs. in lacs)		
	2005-06	2006-07	2007-08
Total Income	5.42	10.76	2.25
Profit/(Loss) after Tax	(0.61)	1.05	(6.81)
Equity Share Capital(of Rs.10/-each)	24.50	24.50	24.50
Reserve & Surplus	122.67	123.72	116.91
Earning per Share (In Rs.)	(0.25)	0.43	(2.78)
Book Value per Share (In Rs.)	60.06	60.49	57.71

**12. DIPLOMAT LEASING AND FINANCE PVT. LIMITED**

Diplomat Leasing and Finance Pvt. Limited was incorporated as a private limited Company on the 26<sup>th</sup> day of April, 1991. Its Corporate Identity No. is U74899DL1991PTC044110.

The registered office of the Company is situated at 40-41, Community Center New Friends Colony, New Delhi-110065.

**Management Structure**

There are three directors in its Board of Directors:

Information Memorandum  
Bhilwara Technical Textiles Limited

Name	Designation
Mr. Sheetal Jain	Director
Mr. Anil Baluni	Director

The Financial Information of the Company as per its audited Balance Sheets, are as below:

Particulars	For the Financial Year Ended 31 <sup>st</sup> March (Rs. in lacs)		
	2005-06	2006-07	2007-08
Total Income	0.50	-	0.00
Profit/(Loss) after Tax	(0.78)	(0.75)	(0.06)
Equity Share Capital(of Rs.100/- each)	143.25	143.25	143.25
Reserve & Surplus	1.28	0.53	0.46
Earning per Share (In Rs.)	(0.54)	(0.53)	(0.04)
Book Value per Share (In Rs.)	100.00	100.00	100.00

**Shareholding Pattern as on 30.06.2009**

Sl. No	Name	No. of Shares held	%
1.	Mr. Shantanu Agarwal	14,000	10.00
2.	Smt Shashi Agarwal	13,000	9.00
3.	Shekhar Agarwal (HUF)	12,500	9.00
4.	Ms. Shuchi Agarwal	36,000	25.00
5.	Raghav Knits and Textiles Pvt. Ltd.	14,250	10.00
6.	Jyoti Knits Pvt. Limited	27,000	19.00
7.	Mayur Knits Pvt. Limited	26,500	18.00
	<b>TOTAL</b>	<b>1,43,250</b>	<b>100.00</b>

## FINANCIAL INFORMATION

### AUDITORS' REPORT

#### To the Members of Bhilwara Technical Textiles Limited

We have audited the attached Balance Sheet of Bhilwara Technical Textiles Limited as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- e) On the basis of written representations recd from the directors, as on 31<sup>st</sup> March, 2009 and record by the Board of Directors, we report that no director of the Company is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us and the accounts read with the accounting policies thereon, give the information required by clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 in the manner so required to give a true and fair view in conformity with the accounting principles generally accepted in India.
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- ii) In the case of the Profit and Loss Account, showing profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, showing cash flows for the year ended on that date.

For Ashim & Associates  
Chartered Accountants

Sd/-  
**Ashim Agarwal**  
Partner  
Membership No.84968

Noida (U.P.)  
April 6, 2009

**ANNEXURE 'A' TO AUDITORS' REPORT**

**(Referred to in the Auditors' Report of even date to the members of Bhilwara Technical Textiles Limited for the year ended 31<sup>st</sup> March, 2009)**

1. The company does not have any fixed assets. Accordingly clause 4 (i) of the Companies (Auditor's Report) Order, 2003 is not applicable
2. The Company's current nature of operations does not require it to hold inventories. Accordingly clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable
3. (a) The Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4 (iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable  
(b) The Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4 (iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 are not applicable
4. The company has not made any purchases of inventory and fixed assets as well as sale of goods. Accordingly, clause 4 (iv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
5. Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that were required to be entered in the register required to be maintained under that section.
6. The Company has not accepted any deposits from the public.
7. The Company did not have paid-up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year or its average annual turnover did not exceed five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned and therefore paragraph 4 (vii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of activities carried out by the Company.
9. (a) According to the records of the Company, undisputed statutory dues have been regularly deposited during the year with the appropriate authorities. According to the records of the Company and as explained to us the company did not have any dues on account of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty and Cess. According to the information and explanations given to us and as per the books and records examined by us, there are no arrears of undisputed statutory dues outstanding as on the date of balance sheet for a period exceeding six months from the date they became payable.  
(b) According to the information and explanations given to us and as per the books and records examined by us, there were no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company did not have any accumulated losses at the end of the financial year. The Company has not incurred cash loss in the current financial year. The Company has incurred cash loss in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not borrowed funds from any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Provisions of the order applicable to chit funds, nidhi, mutual benefit fund / societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and as per the books and records examined by us, the company has not given any guarantee for loans taken by others from bank or financial institutions.



16. In our opinion, and according to the information and explanations given to us, the Company did not raise any term loans during the year.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the Company on short term basis have not been applied for long term investments
18. According to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act 1956.
19. The company has not issued any debentures.
20. The company has not raised any money by way of public issue, during the year and accordingly paragraph 4 (xx) of the Companies (Auditor's Report) Order, 2003, relating to end use of the money raised, is not applicable.
21. Based on our examination of the books and records of the company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Ashim & Associates  
Chartered Accountants

Sd/-

**Ashim Agarwal**  
Partner  
Membership No.84968

Noida (U.P.)  
April 6, 2009

Information Memorandum  
Bhilwara Technical Textiles Limited

Bhilwara Technical Textiles Limited  
Balance Sheet as at 31st March, 2009

	SCHEDULE	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	1	500,000	500,000
Share Capital - Pending Allotment [Refer Note 10 of Schedule 8B]		66,621,723	-
Reserves & Surplus	2	5,108,544	-
<b>TOTAL</b>		<u>72,230,267</u>	<u>500,000</u>
<b>APPLICATION OF FUNDS</b>			
Investments	3	66,000,000	-
Current Assets, Loans & Advances	4		
Cash & Bank Balances		467,121	475,582
Loans & Advances		5,800,000	
		<u>6,267,121</u>	<u>475,582</u>
Less: Current Liabilities & Provisions	5		
Liabilities		<u>36,854</u>	<u>11,236</u>
		<u>36,854</u>	<u>11,236</u>
Net Current Assets		6,230,267	464,346
Miscellaneous Expenditure (to the extent not written off or adjusted)	6	-	18,438
Profit & Loss Account		-	17,216
<b>TOTAL</b>		<u>72,230,267</u>	<u>500,000</u>
<b>Notes on Accounts</b>	<b>8</b>		

As per our report of even date attached

For Ashim & Associates  
Chartered Accountants

Sd/-  
Shekhar Agarwal  
Managing Director

Sd/-  
Ashim Agarwal  
Partner  
Membership No. 84968

Sd/-  
Pawan K Deora  
Director

Noida (U.P.)  
April 6, 2009

Information Memorandum  
Bhilwara Technical Textiles Limited

**Bhilwara Technical Textiles Limited**  
**Profit & Loss Account for the year ended 31st March, 2009**

	SCHEDULE	Year Ended 31.3.2009 Rs.	Period Ended 31.3.2008 Rs.
<b>Income</b>			
Dividend on Long Term Investments		6,600,000	Nil
		<u>6,600,000</u>	<u>Nil</u>
<b>Expenditure</b>			
Operating & Other Expenses	7	1,474,240	17,216
		<u>1,474,240</u>	<u>17,216</u>
Profit Before Taxation		5,125,760	(17,216)
Taxation		-	-
Profit After Taxation		<u>5,125,760</u>	<u>(17,216)</u>
Balance brought forward from previous year		(17,216)	
Balance carried to Balance Sheet		<u>5,108,544</u>	<u>(17,216)</u>
<b>Earnings Per Share</b> <i>(equity shares, par value Rs. 1 each)</i>			
Basic		10.25	(0.15)
Diluted		0.08	(0.15)
<b>Notes on Accounts</b>	<b>8</b>		

As per our report of even date attached

For Ashim & Associates  
Chartered Accountants

Sd/-  
Shekhar Agarwal  
Managing Director

Sd/-  
Ashim Agarwal  
Partner  
Membership No. 84968

Sd/-  
Pawan K Deora  
Director

Noida (U.P.)  
April 8, 2009

Information Memorandum  
Bhilwara Technical Textiles Limited

**Bhilwara Technical Textiles Limited**

**SCHEDULES To Statement Of Accounts**

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>1 Share Capital</b>		
<b>Authorised</b>		
70,000,000 (Previous Year 5,00,000) Equity Shares of Re. 1 each	70,000,000	500,000
	<u>70,000,000</u>	<u>500,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
500,000 (Previous Year 5,00,000) Equity Shares of Re. 1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
	As At 31.3.2009 Rs.	As At 31.3.2009 Rs.
<b>2 Reserves and Surplus</b>	Rs.	Rs.
<b>Profit &amp; Loss Account</b>	(17,216) @	5,108,544
	<u>(17,216)</u>	<u>5,108,544</u>
	Additions Rs.	Deductions Rs.
	5,125,760	-
	<u>5,125,760</u>	<u>-</u>
	5,108,544	5,108,544
	<u>5,108,544</u>	<u>5,108,544</u>
<p>@ Represents debit balance in the profit &amp; loss account</p>		
<b>3 Investments</b>		
Long Term, Non Trade, At Cost		
Unquoted		
* 6,600,000 Equity Shares of Rs.10 each fully paid of BMD Private Limited	66,000,000	-
	<u>66,000,000</u>	<u>-</u>
<p><b>Notes:</b></p> <p>* Acquired pursuant to scheme of arrangement / demerger [Refer Note 1 of Schedule 8B]</p>		
<b>4 Current Assets, Loans and Advances</b>		
<b>Cash &amp; Bank Balances</b>		
Cash in Hand (As certified by the management)	582	5,582
Cheques in Hand	-	470,000
Balances with Scheduled Banks in:		
Current Account	466,539	-
	<u>467,121</u>	<u>475,582</u>
<b>Loans &amp; Advances</b>		
Unsecured, Considered Good		
<b>Advances</b>		
Recoverable in cash or in kind or for value to be received or pending adjustments	5,800,000	-
	<u>5,800,000</u>	<u>-</u>
<b>5 Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Expenses Payable	36,854	11,236
	<u>36,854</u>	<u>11,236</u>
<b>6 Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		
Preliminary Expenses	-	18,438
	<u>-</u>	<u>18,438</u>

Information Memorandum  
Bhilwara Technical Textiles Limited

	Year Ended 31.3.2009 Rs.	Period Ended 31.3.2008 Rs.
<b>7 Operating &amp; Other Expenses</b>		
Rates & Taxes	789,600	600
Printing & Stationary	4,600	770
Legal & Professional	20,000	-
Audit Fees	19,854	11,236
Bank Charges	25	-
Amortisation of Preliminary Expenses	18,438	4,610
Goodwill [Refer Note 1(d) & 2 of Schedule 8B]	621,723	-
	<b>1,474,240</b>	<b>17,216</b>

**8 Accounting Policies & Notes on Accounts**

**A Accounting Policies**

**1 General**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 & the provisions of the Companies Act, 1956

**2 Revenue Recognition**

Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9 - "Revenue Recognition".

**3 Investments**

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management

**4 Miscellaneous Expenditure**

Preliminary expenses are amortised over a period of five years or earlier.

**5 Tax on Income**

- i) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- ii) Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations. Deferred tax assets, in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognised only where there is virtual certainty of realisation. Deferred tax assets on other accounts are recognised only to the extent there is reasonable certainty of realisation. The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realisation.

**6 Provisions and contingent liabilities**

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote

**B Notes On Accounts**

- 1 In terms of the scheme of arrangement / demerger under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between RSWM Ltd ("RSWM") & the Company, RSWM has segregated by way of a demerger, its Strategic Investment Division to the Company, pursuant to order of the Hon'ble High Court of Rajasthan filed with Registrar of Companies on March 31, 2009. The appointed date as per the Scheme is April 1, 2008

As per the said Scheme:

- a All the properties, investments, assets and liabilities relating to the Strategic Investment Division of RSWM are transferred and vested in the Company on a going concern basis.
- b The said transfer has been effected at the values appearing in the books of RSWM as at April 1, 2008 and recorded as such in book of accounts of the Company. The book value of assets over liabilities as on that date aggregates to Rs.6,60,00,000.
- c In consideration of the demerger, the Company will issue and allot its shares to the shareholders of RSWM in the ratio of ten equity shares of face value of Re. 1 each fully paid up in the Company for every four equity shares of Rs. 10 each fully paid up held by the shareholders of RSWM whose names appear in the Register of Members of RSWM on the record date, to be fixed by the Board of Directors of RSWM & the Company jointly.

The Company will further issue and allot its shares, in the same ratio as above, to the holders of 35,00,000 convertible warrants in RSWM who are entitled to convert/exchange the warrants with equal number of equity shares of Rs.10 each fully paid up in RSWM. However, no equity share will be issued by the Company against the convertible warrants which are not converted into the equity shares in RSWM. Any entitlement to that extent will lapse and equivalent amount will be transferred to the Share Premium Account in the books of the Company.

Pending allotment of these shares, the provisional amount of Rs.6,66,21,723 is disclosed as 'Share Capital –pending allotment'. This value is subject to change in view of the scheme providing that any fraction of share arising out of the aforesaid share exchange process, if any, is to be rounded off to the nearest whole number.

- d Deficit of net assets so recorded, over the amount of share capital to be issued amounting to Rs.6,21,723 is recognized in these financial statements, and as stipulated in the Scheme, is disclosed as 'Goodwill'. This value is subject to change in view of the scheme providing that any fraction of share arising out of the aforesaid share exchange process, if any, is to be rounded off to the nearest whole number.
- 2 Goodwill arising on demerger has been charged to the profit & loss account
- 3 Creditors include outstanding dues of small scale industrial undertakings Rs. Nil (Previous Year Rs. Nil). The above information regarding small scale industrial undertakings has been determined to the extent such parties have been identified by the company, on the basis of information available with them. This has been relied upon by the auditors.
- 4 Based on the information available with the Company, no supplier / service provider has informed / confirmed of having filed any memorandum with the notified authority under The Micro, Small, and Medium Enterprise Development Act, 2006 ("the Act"), claiming their status as a Micro or Small Enterprise. This information has been relied upon by the auditors. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act.
- 5 There were no deferred tax liabilities / assets to be recognised as at end of the year
- 6 The company's main objects envisage carrying on business in various textile products. Current operations, according to the management, constitute a single segment and accordingly the disclosure requirements as per AS-17 issued under the Companies (Accounting Standards) Rules, 2006 are not applicable.
- 7 **Related party transactions**  
Following information regarding related parties has been determined on the basis of criteria specified in AS-18 "Related Party Disclosures"
- a) Name of related parties and nature of relationship
    - i) Person having control at any time during the year
      - Mr. Shekhar Agarwal
    - ii) Associate Companies
      - BMD Private Limited (BMD)
    - iii) Enterprises over which persons described in (i) above are able to exercise significant influence
      - RSWM Limited (RSWM)

Information Memorandum  
Bhilwara Technical Textiles Limited

b) Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business

	2008-09	2007-08
	Rs	Rs
i) For the parties referred to in item (i) above		
Contribution to equity share capital	-	499,940
ii) For the parties referred to in item (ii) & (iii) above		
Investment acquired from RSWM pursuant to scheme of arrangement/ demerger [Refer Note 1 of this schedule]	66,000,000	-
Dividend Income distributed by BMD & receivable from RSWM in view of appointed date of scheme of arrangement / demerger being April 1, 2008	6,600,000	
iii) For the parties referred to in item (iii) above		
Outstanding receivable	5,800,000	

8 Earnings per share

Basic earning per share is computed by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares in issue, adjusted for the effect of all dilutive potential equity shares that were outstanding during the year. Dilutive potential equity shares are weighted for the period they were outstanding and are deemed converted as of beginning of the year, unless they have been issued at a later date.

The following table sets forth the computation for basic and diluted earnings per share:

		2008-09		2007-08	
		Basic	Diluted	Basic	Diluted
<b>Numerator</b>					
Net income / (loss) for the year	Rupees	5,125,760	5,125,760	(17,216)	(17,216)
<b>Denominator</b>					
Weighted average number of equity shares		500,000	500,000	113,699	113,699
Dilutive potential equity shares			66,621,723		
Total average equivalent shares		500,000	67,121,723	113,699	113,699
Net earnings / (loss) per share	Rupees	10.25	0.08	(0.15)	(0.15)
Nominal value per share	Rupee	1	1	1	1

Potential equity options comprise of equity shares to be issued pursuant to the scheme of arrangement / demerger [Refer Note 1 of this Schedule]. The company did not have any potential equity options, in respect of the previous year

9 There is no applicable information pursuant to Paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956

- 10 i) Figures for the current year incorporate the transactions specified in the scheme, which have vested with the Company. In addition, previous period accounts have been prepared for the period from 14th December, 2007, being the date of incorporation to 31st March, 2008, and are therefore not strictly comparable with the current year figures.
- ii) Previous year figures have been regrouped and recast wherever considered necessary.

The Schedules referred to in the Balance Sheet and Profit & Loss Account form an integral part of the accounts

Signed for identification

For Ashim & Associates  
Chartered Accountants

Sd/-  
Shekhar Agarwal  
Managing Director

Sd/-  
Ashim Agarwal  
Partner  
Membership No. 84968

Sd/-  
Pawan K Decra  
Director

Noida (U.P.)  
April 6, 2009

**Bhilwara Technical Textiles Limited**  
**Balance Sheet Abstract & Company's General Business Profile**

I	Registration Details				
	Registration No.	025502		State Code	17
	Balance Sheet Date	31	03	2009	
		Date	Month	Year	
II	Capital raised during the year (Amount in Rs. Thousands)				
	Public Issue		Right Issue		
	NIL		NIL		
	Bonus Issue		Private Placement		
	NIL		NIL		
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)				
	Total Liabilities		Total Assets		
	72,230		72,230		
	<u>Sources of Funds</u>				
	Paid-up Capital		Share Capital - Pending Allotment		
	500		66,622		
	Secured Loans		Reserves & Surplus		
	NIL		5,109		
	Unsecured Loans				
	NIL				
	<u>Application of Funds</u>				
	Net Fixed Assets		Investments		
	Nil		66,000		
	Net Current Assets		Miscellaneous Expenditure		
	6,230		Nil		
	Accumulated Losses				
	Nil				
IV	Performance of Company (Amount in Rs. Thousands)				
	Turnover		Total Expenditure		
	6,600		1,474		
	Profit / (Loss) Before Tax		Profit / (Loss) After Tax		
	5,126		5,126		
	Earning Per Share in Rs.		Dividend Rate %		
	10.25		NIL		
V	Generic Names of Three Principal Products/Service of Company (As per Monetary terms)				
	Item Code No.	NA			
	Product Description	NA			

Sd/-  
Shekhar Agarwal  
Managing Director

Sd/-  
Pawan K Deora  
Director

Noida (U.P.)  
April 6, 2009



Information Memorandum  
Bhilwara Technical Textiles Limited

**Bhilwara Technical Textiles Limited**  
**Cash Flow Statement for the year ended 31st March, 2009**

	Year Ended 31.3.2009 Rs.	Period Ended 31.3.2008 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss ) before tax	5,125,760	(17,216)
Adjustments for:		
Dividend income	(6,600,000)	-
Goodwill [Refer Note 1(d) & 2 of Schedule 8B]	621,723	-
Miscellaneous Expenditure written off	18,438	4,610
<b>Operating profit / (loss) before working capital changes</b>	<b>(834,079)</b>	<b>(12,606)</b>
Adjustments for:		
Trade Payables	25,618	11,236
Provisions	-	-
Miscellaneous Expenditure	-	(23,048)
<b>Cash from / (used in) operating activities</b>	<b>(808,461)</b>	<b>(24,418)</b>
Taxes Paid	-	-
<b>Net cash from / (used in) operating activities</b>	<b>(808,461)</b>	<b>(24,418)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Dividend income	800,000	-
<b>Net Cash from / (used in) investing activities</b>	<b>800,000</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from increase in share capital	-	500,000
<b>Net Cash from financing activities</b>	<b>-</b>	<b>500,000</b>
<b>Net increase / (decrease) in Cash and Cash equivalents</b>	<b>(8,461)</b>	<b>475,582</b>
Opening Cash and Cash equivalents	475,582	-
Closing Cash and Cash equivalents	467,121	475,582

Notes

1 Cash and cash equivalents consist of cash / cheques in hand and balances with bank

2 Transactions arising out of scheme of arrangement / demerger, as stated in note 1 to Schedule 8B are non cash transactions and not considered in above cash flow workings

As per our report of even date

For Ashim & Associates  
Chartered Accountants

Sd/-  
Shekhar Agarwal  
Managing Director

Sd/-  
**Ashim Agarwal**  
Partner  
Membership No. 84968

Sd/-  
Pawan K Deora  
Director

Noida (U.P.)  
April 6, 2009

## **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of RSWM relating to Strategic Investment Division have, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, been transferred to or deemed to be transferred to BTTL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of BTTL.

Save as stated herein:

- There are no outstanding or pending material litigation, suit, criminal or civil prosecution, proceeding initiated for offence or litigation for tax liabilities against the Company.
- There are no material defaults, non payments or overdues of statutory dues, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares, other than unclaimed liabilities of the Company.

**GOVERNMENT APPROVALS/ REGISTRATIONS**

<b>Sl. No.</b>	<b>Particulars of License / Registration / Approval</b>	<b>Name of Issuing Authority</b>	<b>Date of Issue and approval No.</b>
1.	Certificate of Incorporation	Registrar of Companies, Rajasthan, Jaipur	DOI : 14.12.2007 REGN. NO. : 025502
2.	Registration of the Scheme of De-merger	Registrar of Companies, Rajasthan, Jaipur	Date: 31.03.2009
2.	Permanent Account Number	Income Tax Department	DOI: 14.12.2007 No AADCB5709M

## **OTHER REGULATORY & STATUTORY DISCLOSURES**

### **Authority for listing:**

The Hon'ble High Court of Rajasthan, vide its order dated December 16, 2008 has approved the Scheme of Arrangement/ De-merger between RSWM Ltd and Bhilwara Technical Textiles Ltd, for De-merger of Strategic Investment Division comprising investment in 66 lacs equity shares of BMD Pvt Ltd. In accordance with the Scheme, the Strategic Investment division of RSWM stand transferred to and vested with the Company w.e.f. April 1, 2008 (the appointed date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956. In accordance with the said scheme, the Equity shares of the Company to be issued pursuant to the Scheme as well as its existing shares shall be listed and admitted to trading on Bombay Stock Exchange Limited (BSE). Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of listing criteria of BSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

### **Eligibility Criterion**

There being no initial public offering or rights issue, the eligibility criteria in terms of Clause 2.2.1 of SEBI (DIP) Guidelines, 2000 does not become applicable. However, SEBI has vide its letter CFD/DIL/PB/AT/171831/2009 dated July 31, 2009, relaxed the applicability of provisions of Regulation 19(2)(b) of the Securities Contract (Regulations) Rules, 1957, under Clause 8.3.5 of SEBI (DIP) Guidelines, 2000. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE for making the said Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com).

The Company will publish an advertisement in the news papers containing its details in line with the details required as in terms of clause 8.3.5.4 of SEBI (DIP) Guidelines. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

### **Prohibition by SEBI**

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

**Any other information as may be prescribed by SEBI from time to time**

In the letter of the SEBI relaxing the Company from applicability of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 vide their letter no. CFD/DIL/PB/AT/171831/2009 dated July 31, 2009, it has been advised that the Company makes disclosure in the present advertisement regarding SEBI Order dated July 01, 2009 in the matter of M/s Ramakant Sales & Services (P) Limited, one of the constituents of the promoter group.

In terms of the aforesaid advise of the SEBI, the following disclosure was made in the advertisement published by the Company in terms of clause 8.3.5.1.3 of the SEBI Guidelines:

Order No VSS/AO-101/2009 dated July 01, 2009 had been passed ex-parte against M/s Ramakant Sales & Services (P) Limited. A penalty of Rs. 2 lacs has been imposed under section 15A(a) and of Rs. 1 lac has been imposed under section 15HA on the Company (aggregating to a total penalty of Rs. 3 lacs). The penalty has been imposed for alleged violation of the provisions of regulations 3, 4(1), 4(2) (a), (b), (e), (g) and 8(1) of the SEBI (Prohibition of Fraudulent and unfair trade practices relating to securities Markets) regulations, 2003 and sections 11c (2), (3) and (5) of the SEBI Act. The said ex-parte order was based on the fact that all the notices etc to the company were considered to be delivered to it. However, the Company did not receive any notice or summon sent by SEBI as it has shifted its registered office.

The said Company is contemplating to the contest of the SEBI order before the Honorable Securities Appellate Tribunal.

**General Disclaimer from the Company**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.1.3 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**Disclaimer - BSE**

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated 27<sup>th</sup> February, 2008 approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company; and
- It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Filing**

This Information Memorandum has been filed with BSE.

### **Listing**

Applications will be made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE.

### **Demat Credit**

The Company has executed Tripartite Agreements with the Registrar and the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and has been allotted ISIN – INE274K01012

### **Registrar and Share Transfer Agent:**

Beetal Financial & computer Services (P) Ltd.  
Beetal House, III Floor,99, Madangir,  
Behind local shopping centre.  
New delhi- 110062.  
Contact Person: S.P. Gupta  
Tel. 011-29961281-283  
Fax. 011-29961284

Email ID: [beetal@rediffmail.com](mailto:beetal@rediffmail.com)

**Compliance Officer:**

Mr. Shekhar Agarwal  
Bhilwara Towers,  
A-12, Sector-1, Noida-201301  
Phone No.: 0120-2541810, 4390300

Investors can contact the Compliance Officer in case of any share transfer related queries.

**Stock Market Data for Equity Shares of BTTL Limited**

There is no stock market data as the trading of the scrip yet to be started on BSE.

**Particulars Regarding Previous Public or Rights Issues during the Last Five Years**

BTTL has not made any previous public or rights issue during the last five years. There has been no revaluation of assets of our Company.

## PROVISIONS OF THE ARTICLES OF ASSOCIATIONS

Major provisions of the Articles of association of BTTL are as below:

### PRELIMINARY

1. Unless the context otherwise requires, words of expressions contained in these Articles shall bear the same meaning as in the Act. The marginal notes hereto shall not affect the construction hereto and in these presents, unless there be something in the subject or context inconsistent therewith. Interpreta  
"The Act" means the Companies Act, 1956.  
"These Articles" means the Articles of Association as originally framed or as altered by Special Resolution, from time to time.  
The "Board" means Board of Directors of the Company.  
"The Company" mean is : **BHILWARA TECHNICAL TEXTILES LIMITED**  
"The Directors" means the Board of Directors of the Company for the time being.  
"The Office" means the Registered Office of the Company for the time being.  
"The Register" means the Register of Members to be kept pursuant to Section 150 of the Act.  
"Dividend" includes bonus.  
"Months" means Calender month.  
"Year" means a calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.  
"Proxy" includes Attorney duly constituted under a power of Attorney.  
"Seal" means the Common Seal of the Company.



"In Writing" and "Writing" shall include printing, lithography and other modes of representing or reproducing words in a visible form, Words imparting the singular number also include the plural number and vice-versa.

Words importing the masculine gender also include the feminine gender.

Words imparting persons include corporations.

**Table "A" not 2.  
to apply**

Save as provided herein, the Regulation contained in Table "A" in Schedule I of the Act shall not apply to Company.

### SHARES

**Share Capital 3.**

The Authorised Share Capital of the Company shall be such as given in the Clause V of the Memorandum of Association or altered, from time to time, thereat payable in the manner as may be determined by the Directors, with power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub-divide or re-organise the shares and subject to the provisions of the Act, to vary such rights as may be determined in accordance with the regulations of the Company. The paid up capital of the company will not be less than Rs. 5,00,000/- (Rupees Five Lacs).

**Redeemable Preference Shares 4.**

The Company shall have power to issue Preference Shares carrying right of redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 80 of the Act, exercise such power in such manner as it thinks fit.

**Allotment of Shares 5.**

Subject to the provisions of these Articles, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same on such terms and conditions, and at such time as the Directors think fit and with power to issue any shares as fully paid-up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 81 of the Act will be complied with, provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

- |     |   |                                      |
|-----|---|--------------------------------------|
| 6.  | Subject to the provisions of the Act, it shall be lawful for the Company to issue at a discount, shares of a class already issued.  | <i>Issue of shares at a discount</i> |
| 7.  | The Company may, subject to compliance with the provisions of Section 76 of the Act, exercise the powers of paying commission on the issue of shares and debentures. The commission may be paid or satisfied in cash or shares, debentures or debenture stock of the Company.   | <i>Commission for placing shares</i> |
| 8.  | The Company may pay a reasonable sum of brokerage, subject to the ceiling prescribed under the Act.   | <i>Brokerage</i>                     |
| 9.  | Subject to Section 187C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any trust, benami or equitable or other claim to or interest in such shares or any fractional part of a share whether or not it shall have express or other notice thereof.  | <i>Trusts not recognised</i>         |
| 10. | Save as permitted by the Act, the funds of the Company be employed in the purchase of its own shares and to deal in and to/or sell/resell or cancel its shares or lent on the security of shares of the Company and the Company may give directly or indirectly any financial assistance, whether by way of loan, guarantee, the provisions of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the company or any Company of which it may, for the time being, be a subsidiary. | <i>Buy back of shares</i>            |

**CERTIFICATE**

- |     |  |                                      |
|-----|--|--------------------------------------|
| 11. | The certificate of title to shares shall be issued under the Seal of the Company.  | <i>Certificate</i>                   |
| 12. | Every member shall be entitled free of charge to certificates in marketable lot for all the shares of each class registered in his name or, if any member so wishes, to several certificate each for one or more of such shares. Unless the Conditions of issue of any shares otherwise provide, the Company shall either within Two months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, sub-division, consolidation, renewal or exchange of any of it shares, as the case may be, complete, and have ready for delivery the certificates of such shares. Every certificate of shares, shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies (Issue of Share Certificates) Rules, 1960. | <i>Member's right to certificate</i> |

*As to issue of  
new certificates*

13. (1) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or where the pages on the reverse for recording transfer have been duly utilised, then upon surrender thereof to the Company, the Board, may order the same to be cancelled and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given in new certificate in lieu thereof, shall be given to party entitled to the shares to which such lost or destroyed certificate relate. Where a new certificate has been issued as aforesaid, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.
- (2) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations, corresponding to the market units of trading, for sub-division of renounceable letters of rights; for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the pages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

#### JOINT-HOLDERS OF SHARES

*Fee on sub-  
division of  
shares, issue  
of new certifi-  
cates etc.*

*Maximum  
number*

*Liability  
several  
as well as joint*

14. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to the following provisions and to the other provisions of these Articles relating to joint-holders :—
- (a) The Company shall not be bound to register more than three persons as the joint-holder of any share.
- (b) The joint-holders of a share shall be liable severally as well a jointly in respect of all payments which ought to be made in respect of such shares.

- (c) On the death of any one of such joint-holders the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit. *Survivors of joint-holders only recognised*
- (d) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share. *Delivery of certificate*

#### **CALLS**

15. The Directors may, from time to time, subject to the terms on which any shares, may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments. *Calls*
16. That the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting. *When call deemed to have been made*
17. Not less than 30 (Thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid. *Notice to call*
18. If by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by instalments at fixed times, every such amount of issue price or instalment thereof shall be payable as if it were a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or instalments accordingly. *Amount payable*
19. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12 (Twelve) per cent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part. *Interest to be charged on non-payment of calls*
20. On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call nor that a *Evidence in actions by Company against share-holders*

quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter but the proof of the matters aforesaid shall be conclusive evidence of the debt.

- Payment of calls in advance* 21. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as, from time to time, exceeds the amount of call then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, Nine (9%) per cent per annum on the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing.

#### FORFEITURE AND LIEN

- Notice may be given for calls or instalment not paid* 22. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reasons of such non-payment.
- Form of notice* 23. The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
- If notice not complied with shares may be forfeited* 24. If the requirement of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.
- Notice of forfeiture* 25. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture,

and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

26. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit. *Forfeited share to become property of the Company*
27. The Directors may, at any time before any share so forfeited shall be sold, re-allotted or otherwise disposed off, annual the forfeiture thereof upon such conditions as they think fit. *Power to annual forfeiture*
28. Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon or in respect of shares, at the time of all instalments interest on the forfeiture together with interest thereupon, from the time of the forfeiture until payment, at 12 (Twelve) per cent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction of allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so. *Arrears to be paid notwithstanding forfeiture*
29. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share except only such of those rights as by these Articles as expressly saved. *Effect of forfeiture*
30. A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a written title to such shares. *Evidence of forfeiture*
31. That fully paid shares shall be free from all lien, and that in the case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares. *Company's lien on shares*
- 31A. That a common form of transfer shall be used.
32. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his committee, curator bonis or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien *Intention as to enforcing lien by sale*  
*Application of proceeds of sale*

exists as is presently payable by such member, and the residual (if any) be paid to such member, his executors, administrators or other representatives or persons so recognised as aforesaid.

- Validity of Shares* 33. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Power to issue new certificate* 34. Where any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holders of the said shares the Directors may issue new certificate in lieu of certificate not so delivered.

#### TRANSFER AND TRANSMISSION OF SHARES

- Execution of transfer, etc.* 35. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
- Application for transfer* 36. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manners prescribed by the Act, and, subject to the provisions of Articles hereof, the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- Notice of transfer to registered holder* 37. Before registering any transfer tendered for registration, the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company

within two weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.

38. The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer of any share. *Register of transfer*
39. Subject to the provisions of Section 111 of the Act, Sec. 22A of the securities contract (Regulations) Act, 1956 the Board, of Directors without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and, in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. *In what case to decline to register transfer of shares*
- Provided that the registration of a transfer of share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company or any account whatsoever.
40. (1) No transfer shall be made to a minor or a person of unsound mind. *No transfer to person of unsound mind*
- (2) No fee shall be charged for registration of transfer, probate, letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments. *No fee for registration for transfer, etc.*
41. All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds. *When instrument of transfer to be retained*
42. If the Directors refuse to register the transfer of any shares, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer, notice of such refusal. *Notice of refusal to register transfer*
43. On giving seven days notice by advertisement in a newspaper circulating in the District in which the office of the Company is situated, the Register of Members may be closed during such time as the Directors think fit not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time. *Power to close transfer books and register*
44. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint-holders) shall be the only person to whom the Company shall recognise as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shares the survivors shall be only persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to *Transmission of registered shares*



obtain a grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion think fit it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

- Nomination** 45. Notwithstanding anything contained in Articles elsewhere, every holder of shares in, or holder of debentures of the Company may, at any time, nominate, in the manner prescribed by Section 109A of the Companies Act, 1956 as amended, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- As to transfer of shaers of deceased or insolvent members** 46. Any person becoming entitled to or to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article, or of his title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This article is hereinafter referred to as "The transmission Article". Subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall erecute an instrument of transfer in accordance with the provisions of these articles relating to transfer of shares. All the limitations, restrictions and provisions of these articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.
- Transmission Article**
- Notice of election to be registered**
- All Rights of executors and trustees**
- Rights of executors and trustees** 47. Subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequences of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.
- Demateriali-sation of Securities** 48. For the purpose of this Article :—
1. 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.  
'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a Depository under the Securities and Exchange Board of India Act, 1992; and  
'SEBI' means the Securities and Exchange Board of India.

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/ rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder.”
3. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 1878 and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
4. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

5. Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
6. Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.
7. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
8. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
9. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

- Provisions of Articles relating to transfer applicable* 49. The instrument of transfer shall be in writing and all the provision of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

#### SHARE WARRANTS

- Power to issue share warrants* 50. Subject to the provisions of Section 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting, the Board may issue share-warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue, Regulations 40 to 43 of Table "A" in Schedule 1 to the Act, shall apply.

#### STOCKS

- Stocks* 51. The Company may exercise the power of conversion of its shares into stock and in that case Regulations 37 to 39 to table "A" in Schedule 1 to the Act shall apply.

#### ALTERATION OF CAPITAL

- Power to subdivide and consolidate* 52. The Company may, by ordinary resolution, from time to time, alter the condition of the Memorandum of Association as follows :—
- (a) Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
  - (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
  - (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived, and
  - (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- Surrender* 53. Subject to the provisions of Sections 100 to 104 of the Act, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.

#### MODIFICATION OF RIGHTS

- Power to modify rights* 54. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be carried with consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a Separate Meeting of the holders of the shares of that class. To every such Separate Meeting of the provisions of these Articles, relating to

general meeting shall apply, but so that the necessary quorum shall be two persons at least, holding or representing by proxy one-tenth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

#### **BORROWING POWERS**

55. The Board may, from time to time and at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, and Regulations made thereunder and Directions issued by RBI to raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company. *Power to borrow*
56. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit, and in particular, by the issue of bonds, perpetual or redeemable debenture or debenture-stock, or any mortgage, or other security on the undertaking of the whole or part of the property of the Company (both present and future), including it uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act. *Condition on which money may be borrowed*
57. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings allotment of shares, appointment of Directors and otherwise Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. *Issue at discount etc. or with special privileges*
58. Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures. *Instrument of transfer*
59. If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

#### **RESERVES**

60. Subject to the provisions of the Act, the Board shall in accordance with Section 205 (2A) of the Act, before recommending any dividend, set aside *Reserves*

out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at its discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company as the Board may, from time to time, think fit). The Board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

- Capitalisation** 61. Any General meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised amount be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed accordingly in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such member in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of a shares premium account or a capital redemption reserve account may, for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the company as fully-paid bonus shares.
- Fractional certificates** 62. For the purpose of giving effect to any resolution under two last preceding Articles the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate.

#### GENERAL MEETINGS

- Extra-Ordinary General Meeting** 63. The Directors may, whenever they think fit, call an Extra-Ordinary General Meeting provided however if at any time these are not in India, Directors capable of acting who are sufficient in number to form a quorum, any Director present in India may call an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.
- Calling of Extra-Ordinary General Meeting on requisition** 64. The Board of Directors of the Company shall on the requisition of such member or members of the company as is specified in sub-section (4) of Section 169 of the Act forthwith proceed to call an Extra-Ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of section 169 of the Act and of any statutory modification thereof for the time being shall apply.
- Quorum** 65. The quorum for a General Meeting shall be at least five members present in person.

66. At every General Meeting, the Chair shall be taken by the Chairman of the Board of Directors. If at any meeting, the Chairman of the Board of Directors is not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as Chairman, the members present shall choose one of the Directors present to be Chairman or if no Director shall be present or though present shall be unwilling to take the Chair then the members present shall choose one of their members, being a member entitled to vote, to be the Chairman. *Chairman*
67. Any act or resolution which, under the provision of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution. *Sufficiency of ordinary resolutions*
68. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if converted upon a requisition of share-holders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called. *When quorum not present, meeting to be dissolved and when adjourned*
69. In the case of an equality of votes the Chairman shall both on a show of hands and a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member. *How question of resolutions to be decided at meetings*
70. The Chairman of a General Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting. *Power to adjourn General Meeting*
71. If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which a poll has been demanded. *Business may proceed notwithstanding demand of poll*

#### **VOTES OF MEMBERS**

72. (1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorised representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own rights, shall have one vote. *Votes of members*

- (2) On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.
- (3) The voting rights of the holders of the Preference Shares including the Redeemable Cumulative Preference Shares shall be accordance with the provisions of section 87 of the Act.
- (4) No Company or body corporate shall vote by proxy so long as a resolution of Board of Directors under Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

***Votes in respect of deceased, insolvent and insane members***

73. A person becoming entitled to a share shall not, before being registered as member in respect of the share, be entitled to exercise in respect thereof any right conferred by membership in relation to the meeting of the Company.

73A. If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided that at least twenty-four hours before the time of holding the meeting or adjourned meeting as the case may be, at which any such person proposes to vote, he shall satisfy the Board of his rights under this

Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

***Joint-holders***

74. Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executor or administrators of deceased member in whose name any shares stands, shall for the purpose of this Article, be deemed joint-holders thereof.

***Instrument appointing proxy to be made in writing***

75. The instrument appointing a proxy shall be in writing under the hand of appointed or of his Attorney duly authorised in writing or if such appointer is a Corporation under its common seal or the hands of its Attorney.

76. The instrument appointing a proxy and the Power-of-Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. *Instrument appointing proxy to be deposited at the office*
77. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given, Provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office or by the Chairman of the Meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked. *When vote by proxy valid though authority revoked*
78. Every instrument appointing a proxy shall as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act. *Form of instrument appointing proxy*
79. No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes. *Restrictions on voting*
80. "Before or on the declaration of the result of the voting on any resolution on a show of hands; a poll be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 179, of the Act, for the time being in force." *Validity of vote*
81. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right or lien.



**DIRECTORS GENERAL PROVISIONS**

- Number of Directors* 82. The number of Directors shall not be less than three and not more than twelve.
- First Present Directors* 83. The following shall be the First Directors of the Company :—
1. **Shekhar Agarwal**
  2. **Riju Jhunjunwala**
  3. **Dwarka Prasad Mangal**
- Power of Directors to add its number* 84. The Directors shall have power, at any time and from time to time, to appoint any person as Additional Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.
- Share qualification of Directors* 85. A Director shall not be required to hold any qualification shares.
- Remuneration of Directors* 86. The Directors shall be entitled to receive in each year a Commission @1% (One per cent) in the net profits of the Company, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Companies Act, 1956 and Rules made thereunder and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Director may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time to be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then, subject to Section 198, 309, 310 and 314 of the Act and rules made thereunder the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be, either in addition to or in sub-stitution for any other remuneration to which he may be entitled to.

- 86A. The sitting fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a General Meeting shall be decided by the Board of Directors, from time to time, within the maximum limits of such fees prescribed under the provisions of Section 310 of the Act, and schedule XIIth, XIIIth thereto. *Continuing Directors may act*
87. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number fixed above, the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting, act so long as the number is below the minimum.
88. Subject to the provisions of Sections 297, 299, 300 and 314 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or director interested be avoided, nor shall any Director or otherwise so contracting or being such members so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Directors holding that office or of the fiduciary relation thereby established. *Directors may contract with Company*

#### APPOINTMENT OF DIRECTORS

89. The Company in General Meeting may subject to the provisions of these Articles and the Act, at any time elect any person to be a Director and may, from time to time, increase or reduce the number of Directors.
- 89A. Any member of the company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a company for the office of director in the company and shall accordingly give a notice of at least 14 days in writing alongwith a deposit of Rs. 500/- (Rupees Five Hundred) or such sum as may for the time being be prescribed by the Act, and rules made thereunder which shall be refunded only after the person proposed to be appointed as director is elected. *Appointment of Directors*
90. If any Director appointed by the Company in general meeting vacates office as a Director before his terms of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have, retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under section 284 of the Act. *Board may fill up Casual vacancies*

**Nominee  
Directors**

91. The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same right and privileges and the subject to the same obligation as any other Director of the company.

**Nomination  
of Director  
by financial  
and other  
institutions**

92. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI). The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), (General Insurance Corporation of India (GIC), Unit Trust of India (UTI) and other Financial Institutions of Central or State Governments or to any other Corporation or Institution or to any other Financing Company or other Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIC, UTI, or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, and LIC, GIC, UTI or other Finance Corporation or Credit Corporation or any other financing Company or body is hereinafter in this Articles referred to as "the Corporation") continue to hold shares in the company as a result of underwriting or direct subscription, the Corporation shall have a right to appoint from time to time any person or persons as a director or directors, whole time or non-whole time, (which director or directors is/are hereinafter referred to as nominee director/s") on the board of the Company and to remove from such office any person or persons so appointed and to appoint any person or 'persons in his or their place/s.
- (b) The Board of Directors of the Company shall have no power to remove from office the nominee director/s. At the option of the Corporation, such nominee director/s shall not be liable to retirement by rotation of directors. Subject as aforesaid, the nominee director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company.
- (c) The nominee director/s so appointed shall hold the said office only so long as any money remain owing by the company to the Corporation or as a result of underwriting or direct subscribing and the nominee director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately after the money owing by the company to the Corporation is paid off on the Corporation ceasing to hold shares in the Company.
- (d) The nominee director/s appointed under this Article shall be entitled to receive all notices of and attend all general meetings, boards meetings

and of the meetings of the committee of which the nominee director/s is/are/member/s and also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

- (e) The Company shall pay to the nominee director/s sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such nominee director/s shall accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation. Any expenses that may be incurred by the Corporation or such nominee director/s in connection with their appointment or directorship shall also be paid or reimbursed by the company to the Corporation or as the case may be to such nominee director/s. Provided that if any such nominee director/s is an officer of the Corporation the sitting fees, in relation to such nominee director/s shall also accrue to Corporation and the same shall accordingly be paid by the company directly to the Corporation. Provided also that in the event of the nominee director/s being appointed as wholetime director/s such nominee directors shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised available to a wholetime director, in the management of the affairs of the Company. Such nominee director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

- (f) Subject to the provisions of section 313 of the Act, the Board may appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from the State in which meeting of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director; shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and/when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

*Alternate  
Directors*

#### **ROTATION OF DIRECTORS**

93. (1) Not less than two-third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Director by rotation.
- (2) At each Annual General Meeting of the Company one-third of or such the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, than the number nearest to one-third, shall retire from office.

*Rotation of  
Directors*

- (3) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (4) If at any Annual General Meeting all the Directors appointed under Articles 87 and 108 hereby are not exempt from retirement by rotations under Section 255 of the Act, then to the extent permitted by the said Section, the exemption shall extend to the Directors or Director appointed under Articles 105. Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

***Retiring  
Directors  
eligible for  
re-election***

94. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
95. Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors if not filled up the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting.

**PROCEEDINGS OF DIRECTORS**

***Meetings of  
Directors***

96. The Directors may meet together for the despatch of business, adjourned and otherwise regulate their meetings and proceedings as they think fit. Notice in writing of every meeting to the Director shall ordinarily be given by a Director or such other officers of the company duly authorised in this behalf to every Director for the time being in India and at his usual address in India.

***Quorum***

97. The quorum for a meeting of the Directors shall be determined, from time to time, in accordance with the provisions of section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the Directors present shall appoint.

***Summoning  
a meeting of  
Directors***

98. The Secretary may at any time, and upon request of any two Directors shall summon a meeting of the Directors.

99. Subjects to the provisions of Sections, 316, 372 (5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, each director having one vote and in case of an equality of votes, the Chairman shall have a second or casting vote. **Voting at Meeting**
100. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors. Provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the meeting the Directors present shall choose one of their members to be Chairman of such meeting. **Chairman of Meeting**
101. A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the Act for the time being vested in or exercisable by the Directors generally. **Act of Meeting**
102. The Directors may, subject to compliance of the provisions of the Act, from time to time, delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and may from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time be imposed on it by the Directors. The meeting and proceedings of any such Committee, if consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Article. **To appoint Committee and to delegate power and revoke it**
103. All acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or person acting as aforesaid or that they or any of them were disqualified. **Validity of acts**
104. Except a resolution which the Companies Act, 1956 requires it specifically to be passed in a board meeting, a resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act. **Resolution by circulation**
- And any such minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of the such meeting or by the Chairman of next succeeding meeting shall be receivable as *prima facie* evidence of the matters in such minutes.
- POWERS OF DIRECTORS**
105. Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised **General power of the Company vested in the Directors**

or done by the Company in the General Meeting but subject nevertheless to the provisions of any law and of these presents, from time to time, made by the Company in the General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

- Power to elegate** 106. Without prejudice to the general powers conferred by the preceding Article, the Director may from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants, and other employees or other persons (including any firm or body corporate) any of the powers authorised and discretions for the time being vested in the Directors.
- Power to authorise sub-delegation** 107. The Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- Signing of documents** 108. All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall, from time to time, by resolution determine.
- Management abroad** 109. The Directors may make such arrangement as may be thought fit for the management of the Company affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies, and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by such persons as the Directors shall, from time to time by writing under the common seal, appoint. The Company may also exercise the powers of keeping Foreign Registers. Such regulations not being in consistent with the provisions of Section 157 and 158 of the Act, the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.
- Manager of Secretary** 110. Subject to Sections 197A, 388, 383A and 314 of the Act, a Manager or Secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit, and any Manager or Secretary appointed may be removed by the Directors.  
A Director may be appointed as Manager or Secretary, subject to Sections 314, 197A, 383A, 387, and 388 of the Act.
- Act of Director, Manager or Secretary** 111. A provision of the Act or these regulations required or authorising a thing to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or in place of the Manager or Secretary.

### MANAGING DIRECTORS

112. Subject to the provisions of Sections 197A, 269, 316 and 317 and Schedule XIII of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. *Power to appoint Managing Director*
113. Subject to the provisions of Section 255 of the Act and Article 89 (4) hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be counted for ascertaining the number of Directors to retire (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, *ipso facto* and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause. *To what provisions he shall be subjected*
114. Subject to the provisions of Sections 198, 309, 310 and 311 and Schedule XIII of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company. *Remuneration of Managing Director*
115. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Sections 292 and 293 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks, fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers. *Power of Managing Director*

### COMMENCEMENT OF BUSINESS

116. The Company shall not at any time commence any business out of other objects of its Memorandum of Association unless the provisions of sub-section 2(B) of Section 149 of the Act have been duly complied with by it. *Compliance before commencement of new business*

### SEAL

117. The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Director or a Committee of the Directors previously given and one Director at least shall sign every instrument *Custody of Seal*



to which the Seal is affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

#### DIVIDENDS

- |  |   |
|--|---|
| <i>How Profit, shall be divisible</i>      | 118. Subject to Rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company, from time to time, determined to be distributed as dividend in respect of any years or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the Shares provided that unless the Board otherwise determines, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid. Provided always that subject as aforesaid, any capital paid up on a share during the period in respect of which a dividend is declared, shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder or such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits. |
| <i>Declaration of dividends</i>            | 119. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 205 of the Act, fix the time for payment.  |
| <i>Restrictions of amount of dividends</i> | 120. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.  |
| <i>Dividend out of profit only</i>         | 121. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.  |
| <i>What to be deemed not profits</i>       | 122. The declaration of the Directors as to the amount of the net profits in the audited Annual Accounts of the Company for any year shall be conclusive.   |
| <i>Interim dividends</i>                   | 123. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.   |
| <i>Debts may be deducted</i>               | 124. The Director may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205 A of the Act.   |
|  | 125. A transferor of shares shall not pass, the rights to any dividend declared thereon before the registration of the transfer.  |

126. Subject to Section 205A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same. *Retention in certain cases*
127. Any one of the several persons who are registered as a joint-holders of any share may give effectual receipts of all dividends payments on account of dividends in respect of such shares. *Dividend to joint-holders*
128. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint-holders as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holders, as the case may be, may direct. *Payment by post*
129. The payment of every cheque or warrant sent under the provisions of the last proceeding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend. *When payments good discharge*
- 130A. Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with section 205A and 205B of the Companies Act, 1956 and Rules made thereunder.
- 130B. No unclaimed or unpaid dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205A of the Companies Act, 1956 and Rules made thereunder in respect of such dividend.

#### **BOOKS AND DOCUMENTS**

131. Subject to the provisions of Section 209 of the Companies Act, 1956, the Books of Account shall be kept at the Registered Office or at such other place as the Board of Directors think fit, and shall be open to inspection by any Director or Directors during business hours. *Where to be kept*
132. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books or documents of the Company or any of them shall be open for inspection to members not being Directors, and no member (not *Inspection by members*

being a Director) shall have any right of inspection to any books of account or documents of the Company except as conferred by law or authorised by the Board of Directors or by the Company in the General Meeting.

- Balance Sheet and Profit and Loss Account** 133. Balance Sheet and Profit and Loss Account will be audited once in a year by a qualified auditor for correctness as per the provisions of the Act.
- Audit** 134. The first Auditors of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of first Annual General Meeting.
135. The directors may fill up any casual vacancy in the office of the Auditors.
136. The remuneration of the Auditors shall be fixed by the Company in the Annual General Meeting except as otherwise decided and that remuneration of the first or any Auditors appointed by the Directors may be fixed by the Directors.

#### NOTICES

- How notices served on members** 137. The Company shall comply with the provisions of Sections, 53, 171, 172 and 190 of the Act as to the serving of notices.
- Transfer bound by prior notices** 138. Every person who, by operation of law, or by transfer or by other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.
- Notice valid through members deceased** 139. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, if any, jointly interested with him or her in any such shares.
- How notice to be signed** 140. The signature on any notice to be given by the Company may be written or printed.

#### RECONSTRUCTION

- Reconstruction** 141. On any sale of the undertaking of the Company, the Directors or the Liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid-up shares, debentures or securities; of any other Company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the property

of the Company, and the Directors (if the profits of the Company permit), or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under Section 494 of the Act as are incapable of being varied or excluded by these presents.

#### **SECRECY**

142. Subject to the provisions of law of the land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors, or subject to Article 126 to require discovery or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which, in the opinion of the Directors will be inexpedient in the interest of the members of the Company to communicate to the public.

*No shareholder to enter the premises of the Company without permissions*

#### **WINDING UP**

143. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the paid-up capital, at the commencement of the winding-up, or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
144. In the event of Company being wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a Special Resolution divide among

*Distribution of assets*

*Distribution of assets in specie*

the contributories in specie or in kind any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with the like sanction shall think fit.

#### INDEMNITY AND RESPONSIBILITY

- Indemnity* 145. Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company, shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company all bonafide costs, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other offices or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all bonafide liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or employee in defending any proceeding whether civil or criminal in which judgement is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
- Individual responsibility of Directors* 146. Subject to the provisions of the Act and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned by any error of judgement, omission, default, or oversight on his part, or for any loss, damage or . misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

## **DOCUMENTS FOR INSPECTION**

Following documents have been delivered to the Stock Exchanges along with this Information Memorandum.

1. Memorandum and Articles of Association of Bhilwara Technical Textiles Limited
2. Certificate of Incorporation of BTTL.
3. The order by Hon'ble High Court of Rajasthan at Jaipur, dated 16<sup>th</sup> December, 2009 sanctioning the Scheme of Arrangement/ De-merger.
4. Copies of the registration certificate issued by the Registrar of Companies, Rajasthan for Form No. 21 filed by the Company along with the order of the High Court on the Scheme.
5. NOC on the Scheme of Arrangement/ De-merger granted by BSE vide their letter no. DCS/AMAM/AKS/24(f)/2297/2007-08 dated 27<sup>th</sup> February, 2008.
6. Approval letter of SEBI granting exemption from applicability of Rule 19(2)(b) of the Securities Contract Regulations Rule vide letter no. CFD/DIL/PB/AT/171831/2009 dated July 31, 2009.
7. Certificate of Statutory Auditor to the Statement of Possible Tax Benefit mentioned in this Information Memorandum.
8. Copies of Audited Annual Accounts of our Company for financial year 2008-09.
9. Copy of tripartite agreement dated 15<sup>th</sup> April, 2009 entered into between the Company, RTA and the Depositories (NSDL/ CDSL)

## **DECLARATION**

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this issue have been duly complied with.

All the information contained in this Information Memorandum is true and correct.

## **SIGNED ON BEHALF OF THE BOARD OF DIRECTORS OF BHILWARA TECHNICAL TEXTILES LIMITED**

Sd/-

**PAWAN KUMAR DEORA  
DIRECTOR**

Place:

Date: