

# Flexituff International Limited

Regd. Office : 304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata- 700017 (W.B.)

## NOTICE

**NOTICE** is hereby given that an Extra-Ordinary General Meeting of the Members of the Company will be held on Monday, the 23<sup>rd</sup> day of December, 2013 at 11.00 A.M., at 94, Industrial Area, Sector 1, Pithampur- 454775, Dist. Dhar (M.P.) India to transact the following Special Business:-

### 1. ISSUE OF EQUITY SHARES OR COMPULSORY CONVERTIBLE DEBENTURES ON PREFERENTIAL ISSUE BASIS

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

**“RESOLVED THAT** pursuant to the provisions of Section 81 (1A), and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), Section 180 of the Companies Act, 2013 and other provisions to the extent applicable, various rules, circulars, press notes, clarifications issued by Foreign Investment Promotion Board, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI ICDR Regulations”), and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), or any other appropriate authorities, institutions and bodies, enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the National Stock Exchange of India Limited & BSE Limited (together “Stock Exchanges”), where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/ or sanctions if any, of SEBI, the Stock Exchanges, RBI, Foreign Investment Promotion Board (FIPB), Central Government, Registrar of Companies and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder) the consent, authority and approval of the Company be and is hereby accorded to offer, issue and allot:

- Upto an aggregate of 1,956,520, equity shares of face value of Rs. 10 each (each an “Equity Share” and collectively the “Issue Shares”) for cash at a premium of Rs. 220 per Equity Share aggregating to upto Rs. 450,000,000 (Rupees Four Hundred and Fifty Million Only). **OR**
- Upto 4,500 Compulsory Convertible Debentures with face value of Rs. 1,00,000 each (CCDs) and will bear such coupon as may be determined by the board of directors subject to the maximum limit permissible under applicable laws (“CCDs”) for an amount not exceeding Rs. 450,000,000 (Rupees Four Hundred and Fifty Million Only), and the resultant equity shares of the Company on the conversion of such CCDs, to the investor named below (the “Investor”) on preferential allotment basis, in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, at such time or times and on such terms and conditions and in such manner as may be decided by the Company in this connection:

Name of the Investor	Type of instrument	Consideration
International Finance Corporation	Upto 1,956,520 equity shares	aggregating upto Rs. 450,000,000
<b>OR</b>		
International Finance Corporation	Upto 4,500 CCDs	aggregating upto Rs. 450,000,000

**RESOLVED FURTHER THAT** the “Relevant Date” for preferential issue, for the purpose of determining issue price is November 22, 2013. The Relevant Date is 30 days prior to the date of the Extraordinary General Meeting which is proposed to be held on December 23, 2013. As the 30<sup>th</sup> day prior to date of the proposed Extraordinary General Meeting falls on a weekend, the day preceding the weekend will, as per the SEBI ICDR Regulations, be reckoned to be the relevant date. Thus, the Relevant Date for the purposes of calculating the price of Issue Shares or conversion price of CCDs is November 22, 2013.

**RESOLVED FURTHER THAT** the issue of Issue Shares or CCDs shall be subject to the following terms and conditions:

- a. The Issue Shares or CCDs shall be allotted within a period of 15 days from the date of receipt shareholders approval for the preferential issue of Issue Shares or CCDs provided that where the allotment of the said Issue Shares or CCDs is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval;
- b. The Issue Shares or CCDs allotted will be subject to lock-in for a period of 1 year from the date of trading approval or as required under SEBI ICDR Regulations;
- c. The Issue Shares or CCDs to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The Issue Shares or equity shares arising on conversion of CCDs shall rank pari passu with the existing equity shares of the Company in all respects; and
- d. The CCDs are convertible into the equity shares at any time after allotment at the option of the Investor, in one or more tranches, subject to a maximum period of 18 months from the date of their allotment. Provided that all outstanding CCDs shall in any event be convertible into equity shares as stated above upon the expiry of 18 months from the date of allotment thereof.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of the Issue Shares or CCDs or equity shares arising on conversion of CCDs, the Board be and are hereby authorised to take necessary steps to give effect to this resolution and to do all such acts, deeds, matters and things as it may in their absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Issue Shares or CCDs, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaison with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of Issue Shares or for equity shares arising on conversion of CCDs, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Issue Shares or CCDs”

**RESOLVED FURTHER THAT** all actions taken by the Board or a Committee duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and they are hereby approved, ratified and confirmed in all respects.

### 2. ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS/SECURITIES CONVERTIBLE INTO EQUITY SHARES

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

**“RESOLVED THAT**, in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the “Act”) as in force, Section 180 of the Companies Act, 2013 and other provisions to

the extent applicable, and subject to Regulations and Guidelines of the Securities and Exchange Board of India ("SEBI"), the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of any Foreign Security) Regulations, 2004, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and in accordance with the rules, regulations, guidelines, policies, notifications, circulars and clarifications issued thereon from time to time by the Government of India (the "GOI"), Reserve Bank of India ("RBI"), the Department of Industrial Policy and Promotion, Ministry of Commerce ("DIPP"), the Foreign Investment Promotion Board ("FIPB"), SEBI, the Ministry of Finance (Department of Economic Affairs) and/or any other competent authorities (including any amendment thereto or re-enactment thereof for the time being in force), and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company and the National Stock Exchange of India & BSE Limited (together "Stock Exchanges") where the securities of the Company are listed, and subject to necessary approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, RBI, GOI, FIPB, the DIPP, and other statutory authorities, concerned institutions or bodies, whether in India and/or abroad, as may be necessary, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) the consent, authority and approval of the Company be and is hereby accorded to create, offer, issue and allot in one or more tranches, in the course of its offerings to eligible investor or investors, through any permitted nature of offering including but not limited to issuance on a private placement basis of Foreign Currency Convertible Bonds ("FCCBs") convertible into equity shares and/or such other securities or a combination of securities of the Company convertible into equity shares (hereinafter collectively referred to as "Securities"), with or without an over-allotment option, secured or unsecured, listed on any stock exchange inside India or any international stock exchange outside India or unlisted, as the Board in its sole discretion may at any time or times hereafter decide, for a principal amount of upto USD 9 million.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of the FCCBs or any Securities, the Board be and are hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of the FCCBs or any Securities into any equity shares in accordance with the terms of issue/offering in respect of such FCCBs/Securities. The resultant equity shares shall rank pari passu with the existing equity shares of the Company in all respects and shall be listed on the Stock Exchanges in India where the equity shares of the Company are listed.

**RESOLVED FURTHER THAT**, for the purpose of giving effect to the above, the Board, in consultation with the advisors and/or other persons as appointed by the Board, be and is hereby authorised to determine the form, terms and timing of the issue(s)/offering(s) including the investor(s) to whom the FCCBs/Securities are to be allotted, issue price, face value, number of equity shares upon conversion of the FCCBs/Securities, premium or discount on issue/conversion of FCCBs/Securities, rate of interest, period of conversion, unlisted or listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters, and create such encumbrances, as may be agreed by the Board and accept any modifications in the proposal as may be required by the authorities in such issues in India and/or abroad.

**RESOLVED FURTHER THAT**, the relevant date on the basis of which price of the FCCBs/Securities, shall be determined as per applicable law or regulations, and in case of FCCB's, shall be the date of the meeting in which the Board of the Company or the Committee of Directors duly authorised by the Board of the Company decides to open the proposed issue of FCCBs in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and are hereby authorized to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid Securities and listing thereof with the stock exchange(s) where the Company's shares are listed and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and they are hereby approved, ratified and confirmed in all respects.

### 3. INCREASE IN THE FII AND NRIS/ PIOS INVESTMENT LIMIT UNDER PORTFOLIO INVESTMENT SCHEME

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

**"RESOLVED** that pursuant to the applicable provisions of the Companies Act, 1956, Companies Act, 2013, to the extent applicable, Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000 and other applicable rules, guidelines, regulations, notifications, circulars and procedures, if any (including any amendments or re-enactments or re-notification thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Ministries of Finance and Company Affairs, Government of India, the Foreign Investment Promotion Board, Reserve Bank of India and other concerned authorities and such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company, the consent, authority and approval of the Company be and is hereby accorded to increase the investment limits by SEBI registered Foreign Institutional Investors (FII), including SEBI approved sub accounts of FIIs and Non Resident Indians/ Persons of Indian Origins in the equity share capital of the Company, either by direct investment or by purchase or otherwise by acquiring from the market under Portfolio Investment Scheme under FEMA, on repatriation basis, upto 74% of the paid-up equity share capital of the Company.

**"RESOLVED FURTHER THAT** the Board be and are hereby authorized to do all such acts, deeds & things as may be necessary, proper and expedient for the purpose of giving effect to this resolution and for the matters connected therein or incidental thereto."

### 4. INCREASE IN REMUNERATION OF MR. SAURABH KALANI, WHOLETIME DIRECTOR

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

**"RESOLVED THAT** pursuant to provisions of section 309 and 310 read with schedule XIII, and any other applicable provision of the Companies Act, 1956, Companies Act 2013 to the extent applicable be accorded for increase in remuneration of Mr. Saurabh Kalani, Whole Time Director, on terms and conditions as detailed hereunder with effect from 1st October, 2013 ;

- (1) Salary @ of Rs. 6,00,000/- ( Rupees Six Lacs Only ) p.m. with an authority to Board / Compensation Committee to increase up to Rs. 15,00,000/- Per Month from time to time.
- (2) Commission not exceeding 1% of the net profits of the Company (effective from financial year 2013-2014) as computed in accordance with the provisions of the section 349 & 350 of the Companies Act, 1956 as amended from time to time.
- (3) He shall be entitled to the following perquisites and facilities:-
  - Housing: Furnished suitable accommodation for him and his family.
  - Reimbursement of expenses actually incurred for Gas, Electricity, Water and furnishing (including Air conditioners, refrigerators Geysers etc.) and the maintenance expenses of the society if applicable.

- Provision for Company's car for use on Company's business and for personal use. If the company's car is provided, he shall reimburse Rs. 5000/- (plus Rs. 1000/-, if chauffeur is also provided to run the car) per month to the company for using the car for his personal use, which shall be deducted from his salary.
  - Provision of Telephone facilities at the cost of the Company at residence, and the mobile phone with all expenses met, subject however to the condition that all charges incurred by Saurabh Kalani in respect of personal long distance calls shall be billed to him.
  - All other expenses incurred for the purpose of Company's work to be reimbursed on actual basis.
  - Medical Reimbursement: Reimbursement of actual expenses incurred for self and his family.
  - Medical/Accidental Insurance: medical health insurance premium for self and his family including personal accident insurance, subject to maximum of Rs. 10,00,000/- (Rupees Ten Lacs) per year.
  - Credit Cards: Payment of dues of credit cards used by him for the purpose of expenses of the Company.
  - Life Insurance Policy premium subject to maximum of Rs. 10,00,000/- (Rupees Ten Lacs) per year.
  - Leave Travel Concession for self and his family anywhere in India subject to a maximum of three months' salary plus actual fare. He shall also be reimbursed for his any foreign travel on a holiday for himself or for his family subject to a maximum of Rs. 10 Lacs in a year plus actual business class air fare.
  - Contribution up to Rs. 1,00,000/- (Rupees One Lac) per month towards National Pension Scheme.
  - Company's Contribution towards provident fund shall be subject to a ceiling of 12% (twelve percent) of basic salary.
  - Gratuity: Not exceeding one half month salary for each completed year service subject to a ceiling of Rs. 8,50,000/- (Rupees Eight Lacs Fifty Thousand only).
- (4) In the event of inadequacy or absence of profits during the duration of the agreement, the Whole Time Director shall be entitled to above remuneration as minimum remuneration.
- (5) He will be entitled to other benefits and privileges, as per the policy of the Company in force.
- (6) This agreement shall be effective from 1<sup>st</sup> October, 2013. However commission payable, if any, shall be calculated for the financial year 2013-14.

**RESOLVED FURTHER THAT** the Board be and are hereby authorised to do all such acts, deeds, matters and things and to execute all such agreement, documents or instruments and writings, with power to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any its powers herein conferred to any directors and / or officers of the Company, to give effect to this resolution;

**By Order of the Board**

**D. K. Sharma**

**GM- Corporate Affairs & Company Secretary**

Registered Office:  
304, Diamond Prestige, 41-A, A.J.C. Bose Road,  
Kolkata – 700 017

Place: Pithampur

Date: 29<sup>th</sup> November, 2013

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of resolutions set out hereinabove is annexed hereto and forms part of this notice.
3. Only registered members of the Company may attend and vote at the meeting, in case of joint holders attending the meeting, only such joint holder who is higher in order of the names will be entitled to vote.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of Board resolution on the letterhead of the Company, signed by one of the directors or company secretary or any other authorised signatory and/or duly notarized power of attorney, authorizing their representatives to attend and vote on their behalf at the meeting.
5. No gifts/ coupons will be distributed before or at the meeting to the members. Members shall make their own travel arrangements at their costs for attending the meeting.
6. For the convenience of the members and for proper conduct of the meeting, members are requested to bring their copy/ printout of notice along with the attendance slips to the meeting and hand over the slips at the entrance duly signed by them.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the meeting.
8. For security reason, no gadgets; mobile phones, cameras, article/ baggage will be allowed at the venue of the Meeting. The members, attendees are strictly requested not to bring any gadgets, mobile phones, cameras, article/baggage, etc. to the venue of the meeting. If any such gadgets are brought by any member, the same shall be deposited with the security personnel at the risk of such member/attendee.

**By Order of the Board**

**D. K. Sharma**

**GM- Corporate Affairs & Company Secretary**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT TO THE SPECIAL BUSINESSES:**

**ITEM No. 1 MATERIAL FACTS RELATING TO THE PREFERENTIAL ISSUE OF EQUITY SHARES OR COMPULSORY CONVERTIBLE DEBENTURES**

The Company is a leading manufacturer of FIBC, Geo-Textile Fabric and Ground Cover, Reverse Printed BOPP Woven Bags, Special PP Bags including Leno Bags and polymer compounding. To support its growth plans, the Company proposes to increase its capital base by way of infusion of further capital. The Board of Directors of the Company (hereinafter called the "**Board**") which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers) has proposed to allot International Finance Corporation (the "**Investor**")

- upto 1,956,520 equity shares of the Company of Rs. 10 each at a premium of Rs. 220 per equity share for an aggregate issue size of upto Rs. 450,000,000 (Rupees Four Hundred and Fifty Million Only) (each an "**Equity Share**" and collectively the "**Issue Shares**") **OR**
- upto 4,500 Compulsory Convertible Debentures with a face value of Rs. 100,000 each and will bear such coupon as may be determined by the board of directors subject to the maximum limit permissible under applicable laws ("CCDs") for an amount not exceeding Rs. 450,000,000 (Rupees Four Hundred and Fifty Million Only), and the resultant equity shares of the Company on the conversion of such CCDs.

The Board has approved the same at its meeting held on November 29, 2013. The investment will be subject to customary conditions including receipt of shareholders approval, entering into a mutually agreeable Share Subscription Agreement/ Debenture Subscription Agreement between the Company and the Investor (“SSA/DSA”), entering into a mutually agreeable Shareholders Agreement (which would provide to the Investor, rights in relation to the to the Investor’s investment in the Company) between *inter alia* the Investor, the Company and the promoters of the Company. Appropriate amendments would be carried to the articles of association of the Company subject to approval of the shareholders, if required. The Issue Shares or equity shares arising on conversion of CCDs, allotted to the Investor shall rank *pari-passu* with all other equity shares of the Company in respect of all rights including dividend.

The Board has the necessary authority to issue, offer and allot upto 1,956,520 equity shares or 4,500 CCDs to the Investor. It may be noted that in terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to disclose the details of investor and certain other terms to the shareholders while seeking their approval for issuing the equity shares or CCDs on preferential basis. Hence, the requisite approval of the shareholders is being sought in terms of the provisions of the Companies Act, 1956, Companies Act, 2013, to the extent applicable and the SEBI ICDR Regulations. The relevant disclosures/ details of the proposed issue are given below:

**a) Objects of the preferential issue**

The proposed issue is being made with an object of future expansion, working capital and general corporate purposes.

**Type of security offered and the number of security offered**

The Company proposes to offer, issue and allot

- upto 1,956,520 equity shares of Rs. 10/- each on the terms and conditions determined by the Board; **OR**
- Upto 4,500 Compulsory Convertible Debentures with a face value of Rs. 100,000 each and will bear such coupon as may be determined by the board of directors subject to the maximum limit permissible under applicable laws (“CCDs”) for an amount not exceeding Rs. 450,000,000 (Rupees Four Hundred and Fifty Million Only).

The allotment of Issue Shares or CCDs is subject to the condition that the proposed allottee has not sold its equity shares in the Company during the six months preceding the Relevant Date (defined below).

**Important terms and conditions –Issue Shares**

The equity shares so created, offered, issued and allotted pursuant to this preferential issue shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* with the existing equity shares of the Company in all respects.

**Important terms and conditions – Compulsory Convertible Debentures**

- a. At any time after the date of allotment of the CCDs but on or before the expiry of 18 months from the date of allotment of the CCDs, the proposed allottee of the CCDs will be entitled, in one or more tranches, to apply for and obtain allotment of such number of equity shares of face value of Rs. 10/- each of the Company for each CCD, as would be calculated on the basis of conversion price of Rs. 230 per equity share of the Company. Provided that all outstanding CCDs shall in any event be convertible into equity shares as stated above upon the expiry of 18 months from the date of allotment thereof.
- b. Upon receipt of the CCD conversion notice, the Board (or a Committee thereof) shall allot such number of equity shares of face value of Rs. 10/- each of the Company for each CCD, as would be calculated on the basis of conversion price of Rs. 230 per equity share of the Company by appropriating Rs. 10/- towards equity share capital and the balance amount paid, towards the securities premium.
- c. The equity shares issued pursuant to conversion of CCDs shall rank *pari passu* in all respects including with respect to dividend, with the then fully paid up equity shares of the Company.

**b) Intention of promoter/ directors/ key management personnel to subscribe to the offer**

None of the present promoters, directors, key management personnel intend to subscribe to the offer.

**c) Pre-issue and Post-issue Shareholding Pattern of the Company**

Shareholder Category	% of shareholding before the proposed preferential allotment (as on September 30, 2013)		% of shareholding after the proposed preferential allotment*	
	No. of shares	%	No. of shares	%
Promoter and Promoter Group	7,035,038	30.61	7,035,038	28.21
Public	15,945,595	69.39	17,902,115	71.79
<b>Total</b>	<b>22,980,633</b>	<b>100.00</b>	<b>24,937,153</b>	<b>100.00</b>

\*Assuming allotment of 1,956,520 equity shares or pursuant to conversion 4,500 CCDs into 1,956,520 equity shares under preferential allotment

**d) Proposed time within which the allotment shall be complete**

The equity shares or CCDs shall be allotted within a period of 15 days from the date of shareholders approval of the preferential issue provided that where the allotment of the said equity shares or CCDs is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval.

**e) Identity of the proposed allottees and percentage of post preferential issue capital that may be held by them and change in control, if any, in the Issuer, consequent to the preferential issue:**

Sr. No.	Name of allottees*	The maximum number of equity shares proposed to be allotted	% Shareholding post allotment of equity shares
	International Finance Corporation	Upto 1,956,520	7.85

*International Finance Corporation is established pursuant to its Articles of Association executed between its member countries, including India. The shares in the capital stock of International Finance Corporation are held by its member countries only. Other than the member countries, there will be no ultimate beneficial owners of the equity shares of the Company that may be held by International Finance Corporation. A list of all member countries can be found at the following website. <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/BODEXT/0,,contntMDK:20122863~menuPK:64020025~pagePK:64020054~piPK:64020408~theSitePK:278036,00.html>.*

There will be no change in control of the Company consequent to the preferential issue.

**f) Pricing**

Under Chapter VII of the SEBI ICDR Regulations, the proposed allotment of Equity Shares to be made to IFC or the conversion price of CCDs to be issued to IFC (who is a qualified institutional buyer), is determined in accordance with Regulation 76(4) of the SEBI ICDR Regulations i.e. at a price which is not less than the average of the weekly high and low of the closing prices of the related equity shares during the two weeks preceding the Relevant Date;

The Relevant Date is 30 days prior to the date of the Extraordinary General Meeting which is proposed to be held on December 23, 2013. As the 30<sup>th</sup> day prior to date of the proposed Extraordinary General Meeting falls on a weekend, the day preceding the weekend will, as per the SEBI ICDR Regulations, be reckoned to be the relevant date. Thus, the Relevant Date for the preferential issue is November 22, 2013.

**g) Undertaking that the Company shall re-compute the price of the specified securities in terms of the provisions of SEBI ICDR Regulations, where it is required to do so**

As the equity shares of the Company have been listed on the stock exchanges for more than six months, the conditions relating to re-computing the price and other matters connected therewith referred to in the SEBI ICDR Regulations are not applicable to the Company.

**h) Undertaking that if the amount payable on account of re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottee – Not applicable.**

**i) Lock in**

The Issue Shares, if allotted, will be subject to lock-in for a period of one year from the date of trading approval.

The CCDs if allotted will be subject to lock-in for a period of one year from the date of trading approval or as required under SEBI ICDR Regulations. Further, the lock-in of equity shares allotted pursuant to conversion of the CCDs shall be reduced to the extent the CCDs have already been locked-in.

The entire pre preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of trading approval.

**j) Auditor's Certificate**

The Company is in the process of obtaining a certificate from BSR & Co., LLP, Statutory Auditors of the Company, certifying that the issue of Issue Shares **or** CCDs is being made in accordance with requirements of SEBI ICDR Regulations. A copy of this certificate shall be placed before the shareholders' at the extra-ordinary general meeting and the same will also be made available for inspection at the registered office of the Company during the hours between 10.00 a.m. and 5.00 p.m. until 15 days after the date of EGM.

Further, under section 81(1A) of the Companies Act, 1956, approval of the members is required for allotment of securities on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 1956, and SEBI ICDR Regulations to issue and allot equity shares on preferential basis as stated in the resolutions.

None of the Directors, manager, key managerial personnel of the Company, and any relatives of such director, manager, key managerial personnel are in any way concerned or interested in this Resolution except to the extent of their shareholding in the Company.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Issue Shares/CCDs to persons other than members of the promoter and promoter group of the Company.

The Board of Directors of the Company recommends passing of the resolution as set out at item No. 1 of the notice.

**ITEM NO. 2 MATERIAL FACTS RELATING TO ISSUE OF FCCBs/CONVERTIBLE SECURITIES**

The resolution contained in the Notice relates to a proposal by the Company to create, offer, issue and allot FCCBs or other convertible securities (in accordance with provisions of applicable law) convertible into equity shares of the Company (the "**Securities**") in one or more tranches as stated in the resolution. The Company intends to issue the Securities for a value of up to USD 9 million. The Securities shall be issued to the identified investor, in accordance with the provisions of applicable laws.

The Company proposes to raise the funds for capital expenditure and other eligible purposes, subject to, and in compliance with, applicable rules and regulations of the RBI and SEBI.

The detailed terms and conditions for the offer will be determined by the Board of Directors and such other authority or authorities and agencies as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the FCCBs and the Securities will be subject to applicable Indian law and may be at a premium or discount to market price, subject to applicable rules, regulations etc. As the pricing of the offering will be decided at a later stage by the Board of Directors, the exact number of Securities or shares to be issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the issue.

The special resolution seeks to empower the Board to issue FCCBs and other Securities in accordance with the provisions of applicable law thereof in one or more tranches at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit.

The FCCBs or other Securities, may or may not be listed on any one or more stock exchange(s) outside India, and may or may not be secured, subject to the provisions of applicable laws. Upon conversion of the FCCBs or other Securities into equity shares, such equity shares will be listed on the stock exchanges on which the Company's equity shares are listed.

The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the equity shares of the Company are listed.

Section 81(1A) of the Companies Act, 1956 and the relevant clause(s) of the Listing Agreement with the Stock Exchanges where the equity shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders by a special resolution in a general meeting decide otherwise.

The special resolution, if passed, will have the effect of allowing the Board to issue and allot Securities otherwise than on pro rata basis to the existing shareholders.

The Board of Directors believes that such an issue of Securities of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors, manager, key managerial personnel of the Company, and any relatives of such director, manager, key managerial personnel are in any way concerned or interested in this Resolution except to the extent of their shareholding in the Company.

**ITEM No. 3 INCREASE THE FII INVESTMENT LIMIT**

The Reserve Bank of India permits companies to increase the limit of investments by Foreign Institutional Investors (FII) and Non Resident Indians/ Persons of Indian Origins up to their sectoral caps or statutory limits, as applicable, by passing a resolution by its Board of Directors followed by a special resolution to that effect by its General Body. The resolution seeks shareholders approval for increase in the Investment limits of Foreign Institutional Investors (FIIs), registered with SEBI/ SEBI approved sub accounts of FIIs and Non Resident Indians/ Persons of Indian Origins put together to 74% of the aggregate paid up share capital of the Company. The Board considers the increased investment by FII to be in the interests of the Company.

The resolution will enable the FIIs to acquire shares of the Company through authorised dealers within the revised ceiling under the Portfolio Investment Scheme.

The Board recommends the resolution for increasing the maximum limit of FII investment in the Company upto 74% of the paid up Share Capital of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are interested in the passing of this resolution, except to the extent of their shareholding in the Company.

**ITEM No. 4 INCREASE IN REMUNERATION OF MR. SAURABH KALANI, WHOLETIME DIRECTOR**

Mr. Saurabh Kalani, is associated with our Company from 20.03.2004 in various capacity. Prior to joining of Board as director he was working as Chief Operating Officer of the Company for which permission from Central Government was received by your Company. He helped the Company grow into a multi-dimensional company of present structure leading a host of business and a team of 7000 strong people in India and abroad. He has more than two decades of experience in the field of manufacturing, import, export, market development, strategic planning, production planning, financial planning etc. relating to Raffia Industry. He is the founder President of the Indian Flexible Intermediate Bulk Container Association (IFIBCA) and was the Vice President of All India Flat Tape Manufacturers' Association. Currently he is the member of the Committee of the Plastics Export Promotion Council (PLEXCONCIL). He has expert knowledge in the products manufactured by the Company and its utilization in global market. He has travelled around the world and accumulated a has good understanding of global business issues.

Your Directors recommend for increase in remuneration and perquisites as per details given below which are subject to approval of shareholders are as under:-

- (1) Salary @ of Rs. 6,00,000/- (Rupees Six Lacs Only) P.M. with an authority to Board/ Remuneration Committee to increase up to Rs. 15,00,000/- Per Month from time to time.
- (2) Commission not exceeding 1% of the net profits of the Company (effective from financial year 2013-2014) as computed in accordance with the provisions of the section 349 & 350 of the Companies Act, 1956 as amended from time to time.
- (3) He shall be entitled to the following perquisites and facilities:-
  - Housing: Furnished suitable accommodation for him and his family.
  - Reimbursement of expenses actually incurred for Gas, Electricity, Water and furnishing (including Air conditioners, refrigerators Geysers etc.) and the maintenance expenses of the society if applicable.
  - Provision for Company's car for use on Company's business and for personal use. If the company's car is provided, he shall reimburse Rs. 5000/- (plus Rs. 1000/-, if chauffeur is also provided to run the car) per month to the company for using the car for his personal use, which shall be deducted from his salary.
  - Provision of Telephone facilities at the cost of the Company at residence, and the mobile phone with all expenses met, subject however to the condition that all charges incurred by Saurabh Kalani in respect of personal long distance calls shall be billed to him.
  - All other expenses incurred for the purpose of Company's work to be reimbursed on actual basis.
  - Club fees: Club fees including entrance charges, deposit, if applicable, subject to a maximum of three clubs.
  - Medical Reimbursement: Reimbursement of actual expenses incurred for self and his family.
  - Medical/Accidental Insurance: medical health insurance premium for self and his family including personal accident insurance, subject to maximum of Rs. 10,00,000/- (Rupees Ten Lacs) per year.
  - Credit Cards: Payment of dues of credit cards used by him for the purpose of expenses of the Company.
  - Life Insurance Policy premium subject to maximum of Rs. 10,00,000/- (Rupees Ten Lacs) per year.
  - Leave Travel Concession for self and his family anywhere in India subject to a maximum of three months' salary plus actual fare. He shall also be reimbursed for his any foreign travel on a holiday for himself or for his family subject to a maximum of Rs. 10 Lacs in a year plus actual business class air fare.
  - Contribution up to Rs. 1,00,000/- (Rupees One Lac) per month towards National Pension Scheme.
  - Company's Contribution towards provident fund shall be subject to a ceiling of 12% (twelve percent) of salary.
  - Gratuity: Not exceeding one half month salary for each completed year service subject to a ceiling of Rs. 8,50,000/- (Rupees Eight Lacs Fifty Thousand only).
- (4) In the event of inadequacy or absence of profits during the duration of the agreement, the Whole Time Director shall be entitled to above remuneration as minimum remuneration.
- (5) He will be entitled to other benefits and privileges, as per the policy of the Company in force.
- (6) This agreement shall be effective from 1<sup>st</sup> October, 2013. However commission payable, if any, shall be calculated for the financial year 2013-14. Above may be treated as an Abstract of the terms of the contract or variation as per Section 302 of the Companies Act, 1956.  
None of the Directors of the Company, except Mr. Saurabh Kalani, Whole Time Director is concerned or interested in this Resolution.

**By Order of the Board**

**D. K. Sharma**

**GM- Corporate Affairs & Company Secretary**

Registered Office:  
304, Diamond Prestige,  
41-A, A.J.C. Bose Road,  
Kolkata – 700 017

Place: Pithampur

Date: 29<sup>th</sup> November, 2013



# Flexituff International Limited

Registered Office: 304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata- 700017 (W.B.)

## ATTENDANCE SLIP

DP ID		Folio No	
Client ID		No. of Shares	

Name and address of shareholder/ Proxy holder

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I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Extraordinary General Meeting of the Company held on 23<sup>rd</sup> day of December, 2013 at 11.00 A.M., at 94, Industrial Area, Sector 1, Pithampur- 454775, Dist. Dhar (M.P.) India

Member's / Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)



# Flexituff International Limited

Registered Office: 304, Diamond Prestige, 41-A, A.J.C. Bose Road, Kolkata- 700017 (W.B.)

## PROXY FORM

DP ID		Folio No	
Client ID		No. of Shares	

I / We \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ being a Member / Members of **Flexituff International Limited** hereby appoint Mr./ Ms. \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_ or  
 failing him / her Mr. / Ms. \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ as my / our Proxy to attend and vote for me / us and on my / our behalf at the Extraordinary General

Meeting of the Company to be held on 23<sup>rd</sup> day of December, 2013 at 11.00 A.M., at 94, Industrial Area, Sector 1, Pithampur- 454775, Dist. Dhar (M.P.) India and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING

Affix  
Re.1/-  
Revenue  
Stamp

FOR OFFICE USE ONLY

Signature(s)

**BOOK-POST**

*If undelivered, please return to:*

**Flexituff International Limited**

**Regd. Office :** 304, Diamond Prestige, 41-A,  
A.J.C. Bose Road, Kolkata- 700017 (W.B.)