

# 20 MICRONS<sup>TM</sup>

## L I M I T E D

Regd. Office: 9/10, GIDC Industrial Estate, Waghodia - 391760, Dist.: Vadodara, Gujarat, India. E-Mail : [co\\_secretary@20microns.com](mailto:co_secretary@20microns.com)

### NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given that an **Extra-Ordinary General Meeting of the Shareholders of 20 Microns Limited** will be held on **Wednesday, the 17<sup>th</sup> day of July, 2013 at 3.00 pm** at the Conference Room at 347, GIDC Industrial Estate, Waghodia - 391 760. Dist.: Vadodara to transact the following business:

#### **SPECIAL BUSINESS:**

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

[1] **"RESOLVED THAT** in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Securities and Exchange Board of India Act, 1992 (SEBI Act) and Guidelines, Regulations and other applicable provisions of, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the relevant Regulations for Preferential Issue of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI (ICDR) Regulations') and any other Guidelines or Regulations of SEBI, Listing Agreements entered into with the Stock Exchanges, where the shares of the Company are listed, and any other applicable laws/rules/regulations and subject to the consent/approval of any other Authority(s)/Institution(s), consent of the Company be and is hereby accorded to the Company to create, offer, issue and allot up to 3,00,000 (Three Lacs) Zero Coupon Unsecured Fully Convertible Debentures of Rs. 100/- each, on a preferential basis to M/s. Pratik Minerals Pvt. Ltd. (herein after to be referred to as "FCDs").

**RESOLVED FURTHER THAT** the issue will remain open for subscription for a period of 15 [fifteen] days from the Shareholders' Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to finalize the terms and conditions reflecting to issue of FCDs and all matters incidental thereto as it may in its absolute discretion think, fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid FCDs shall be made within 15 days from the date of passing of this resolution subject however to the applicable statutory regulatory provisions and the Guidelines by the Securities Exchange Board of India.

**RESOLVED FURTHER THAT** the FCDs shall be compulsorily convertible into Equity Shares at the end of three months from the date of allotment of FCDs.

**RESOLVED FURTHER THAT** the pricing of any equity shares to be issued upon conversion of FCDs shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the "Relevant Date" under SEBI Regulations for the purpose of determining the issue price of resultant shares.

**RESOLVED FURTHER THAT** the "Relevant Date" for the purpose of determining the pricing of any equity shares to be issued upon conversion of FCDs shall be the date thirty days prior to the date on which M/s. Pratik Minerals Pvt. Ltd. becomes entitled to apply for Equity Shares.

**RESOLVED FURTHER THAT** the Equity shares so issued and allotted upon conversion of FCDs shall rank pari passu with the then existing Equity shares of the Company in all respects including dividend.

**RESOLVED FURTHER THAT** the FCDs shall be subject to lock-in as per Regulation 78 of SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make and accept all such term(s), condition(s) and alteration(s) as it may deem fit, including conditions(s), modifications(s) and alterations(s) stipulated or required by any relevant authorities or by their bye-laws, rules regulations or guideline and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connections and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have give approval thereto expressly by the authority of this resolution."

By order of the Board,  
20 Microns Limited

Place: Waghodia  
Date: 17.06.2013

[Ms. Anuja K. Muley]  
Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies to be effective, must be lodged at the registered office of the Company not later than 48 hours before the commencement of the meeting. A Proxy Form is sent herewith.
3. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in dematerialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
4. Relevant documents referred to in the accompanying notice are open for inspection by the shareholders at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 am to 4.00 pm upto the date of the Meeting.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Item No.1 stated in the Notice is annexed herewith.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 [2] OF THE COMPANIES ACT, 1956**

**Item 1:**

As per section 81(1A) of the Companies Act, 1956 and Regulation 72(1)(a) of SEBI (ICDR) Regulations, approval of shareholders in General Meeting by way of Special Resolution is required to Issue, offer and allot up to 3,00,000 FCDs of Rs. 100/- each on a preferential basis.

Hence, the resolutions are placed before the shareholders. Your Directors recommend the resolutions for your approval.

The following disclosure for preferential issue is made in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations.

**1. Objects of the Issue:**

The Company is presently engaged into manufacturing and trading of Non-metallic Industrial Minerals, which makes the business of the Company volume driven. The Company has been consistently utilizing all the manufacturing facilities across 8 plants at almost 100% capacity levels. There is a huge demand for industrial mineral products in the Indian as well as in Global market and in order to meet the said demand, apart from 100% utilization of manufacturing capacities, the Company is required to depend on third party manufacturers for manufacturing of certain products of the Company.

To meet this increasing demand of Industrial Minerals, the Board of Directors has been reviewing Strategies and Policies for expansion of operational and up-gradation of the manufacturing activities mainly for the enhancement of quality of products as well as catering consistent growing demands not only for industrial minerals but also of specialized chemical products. It is therefore, proposed that the requirement be partly funded through preferential Issue and Allotment of FCDs to the non-promoters.

- 2. The proposal of the promoters /directors/ key management persons to subscribe to the offer:**  
The present Promoters and Directors of the Company will not subscribe to this preferential issue.

**3. The shareholding pattern of the issuer before and after the preferential issue:**

| Category code | Category of Shareholder                                                              | Pre-issue Holding |               | Conversion of FCDs                                | Post Conversion Holding                                                                                                                                                                                                                                                                                |                                                                  |
|---------------|--------------------------------------------------------------------------------------|-------------------|---------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
|               |                                                                                      | No. of Shares     | %             |                                                   | No. of Shares                                                                                                                                                                                                                                                                                          | %                                                                |
| (A)           | Promoter and Promoter Group                                                          |                   |               |                                                   |                                                                                                                                                                                                                                                                                                        |                                                                  |
| 1             | Indian                                                                               |                   |               |                                                   |                                                                                                                                                                                                                                                                                                        |                                                                  |
| (a)           | Individuals/ Hindu Undivided Family                                                  | 11938386          | 37.71         | NIL                                               | 11938386                                                                                                                                                                                                                                                                                               | Depends on the conversion of FCDs at the end of 3 [three] months |
| (c)           | Bodies Corporate                                                                     | 8250235           | 26.06         | NIL                                               | 8250235                                                                                                                                                                                                                                                                                                |                                                                  |
|               | <b>Total(A)</b>                                                                      | <b>20188621</b>   | <b>63.76</b>  | <b>NIL</b>                                        | <b>20188621</b>                                                                                                                                                                                                                                                                                        |                                                                  |
| (B)           | Public shareholding                                                                  |                   |               |                                                   |                                                                                                                                                                                                                                                                                                        |                                                                  |
| B 1           | Institutions                                                                         | 1128800           | 3.57          | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
| B 2           | Non-institutions                                                                     |                   |               |                                                   |                                                                                                                                                                                                                                                                                                        |                                                                  |
| (a)           | Bodies Corporate                                                                     | 3348127           | 10.37         | 3,00,000 FCDs OF THE FACE VALUE OF RS. 100/- EACH | FCDs shall be compulsorily convertible into Equity Shares at the end of three months from the date of allotment of FCDs. Other 4,00,000 FCDs are approved by the Shareholders at their Meeting held on 25.05.2013 which will be converted at the end of six months from the date of allotment of FCDs. |                                                                  |
| (b)           | Individuals                                                                          |                   |               |                                                   |                                                                                                                                                                                                                                                                                                        |                                                                  |
| I             | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 Lac | 3625585           | 11.45         | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
| II            | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lac     | 1230572           | 3.89          | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
| (c-i)         | Clearing Members                                                                     | 59825             | 0.19          | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
| (c-ii)        | Hindu Undivided Families                                                             | 192553            | 0.61          | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
| (c-iii)       | Non Resident Indians                                                                 | 1806703           | 5.71          | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
| (c-iv)        | Trusts                                                                               | 78168             | 0.25          | NIL                                               | NIL                                                                                                                                                                                                                                                                                                    | NIL                                                              |
|               | <b>Total (B)</b>                                                                     | <b>11473435</b>   | <b>36.24</b>  |                                                   |                                                                                                                                                                                                                                                                                                        |                                                                  |
|               | <b>GRAND TOTAL (A)+(B)</b>                                                           | <b>31662056</b>   | <b>100.00</b> | 3,00,000 FCDs OF THE FACE VALUE OF RS. 100/- EACH | FCDs shall be compulsorily convertible into Equity Shares at the end of three months from the date of allotment of FCDs. Other 4,00,000 FCDs are approved by the Shareholders at their Meeting held on 25.05.2013 which will be converted at the end of six months from the date of allotment of FCDs. |                                                                  |

Notes with respect to shareholding pattern: (a) The above shareholding pattern is prepared as on 31.03.2013; (b) The above shareholding pattern has been arrived on the assumption of full conversion of FCDs; (c) The post shareholding pattern may vary depending upon any other corporate action in between.

**4. The time within which the preferential issue shall be completed:**

The Board proposes to allot the FCDs within a period of 15 days from the date of passing of the resolutions by the shareholders or within 15 days from the date of approval of all regulatory authorities, whichever is later.

**5. The identity of the proposed allottees, the 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:**

Details of proposed allottee:

| Proposed Allottee                    | Pre-Issue Equity Holding | %   | Number of shares to be converted                                                                                        | Post Issue Holding | % of post conversion |
|--------------------------------------|--------------------------|-----|-------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| M/s. PRATIK MINERALS PRIVATE LIMITED | NIL                      | NIL | FCDs shall be compulsorily convertible into Equity Shares at the end of three months from the date of allotment of FCDs |                    |                      |

In terms with SEBI (ICDR) Regulations, the Company has obtained PAN details from the proposed allottee.

**Note:** Issue & allotment of 4,00,000 FCDs to Pratik Minerals Pvt. Ltd. are approved by the Shareholders at their Meeting held on 25.05.2013 which will be converted at the end of six months from the date of allotment of FCDs.

**Change in Control:**

There is no change in the management and control of the Company pursuant to the preferential issue.

**6. Undertaking**

In terms of Regulation 73(1) (f) and (g) of SEBI (ICDR) Regulations, the Company undertakes to : (i) re-compute the price of the specified securities (if required) as per the regulations and (ii) if the amount on account of re-computation of price is not paid as per regulation, the specified securities shall remain locked-in till the such amount is paid.

**7. Certificate from Auditors:**

M/s. Manubhai & Co., Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Regulations/Guidelines and the said Certificate will be placed before the Extraordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors Certificate and other documents referred to in the proposed resolutions and in the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 am to 4.00 pm upto the date of the EGM.

**8. Lock-in:**

The pre-preferential and post-preferential allotment shall be locked in as per the terms and conditions to comply with the SEBI [ICDR] Regulations.

**9. Pricing of preferential issue**

The FCDs will be issued and allotted/converted at a price not less than the higher of the following in terms of the Regulation 76 of SEBI (ICDR) Regulations:

- The average of the weekly high and low of the closing prices of the Equity shares of the Company, quoted on the stock exchange during twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the Equity shares of the Company, quoted on the stock exchange during two weeks preceding the relevant date.

Explanation : the "Relevant Date" for the purpose of determining the pricing of any equity shares to be issued upon conversion of FCDs shall be the date thirty days prior to the date on which M/s. Pratik Minerals Pvt. Ltd. becomes entitled to apply for Equity Shares.

**10. Allotment and Terms of payment**

As per Point No. 4 hereinabove.

None of the Directors of the Company may be considered to be concerned or interested in the above resolution.

By order of the Board,  
20 Microns Limited

[Ms. Anuja K. Muley]  
Company Secretary

Place: Waghodia  
Date: 17.06.2013