



# BANSWARA SYNTEX LIMITED

Regd. Office:- INDUSTRIAL AREA, DOHAD ROAD, BANSWARA – 327001



## POSTAL BALLOT NOTICE

Notice pursuant to Section 192A of the Companies Act, 1956

To,

Dear Members,

The Board at its meeting held on Thursday, 8<sup>th</sup> August, 2013, after receiving recommendations of the Board has approved the Issuance of equity shares to person other than promoters i.e. Foreign Institutional Investors (FIIs) and convertible Warrants to promoter and promoter group. As the Issuance of Equity shares & Convertible Warrants, under the provisions of Section 81, 81(1A) and all other applicable provisions of the Companies Act, 1956, and in accordance with the guidelines, rules and regulations, including the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges on which the Company is listed, terms and conditions of approvals, permissions, sanctions, if any, of the Reserve Bank of India, Government of India are subject to the approval of the Shareholders, therefore the Company is seeking your approval.

Pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Special Resolution by Postal Ballot) Rules, 2011, Notice is hereby given for seeking the approval of the shareholders for the proposal contained in the resolution appended below by way of Postal Ballot. The Explanatory Statement pertaining to the said resolution is annexed hereto along with a Postal Ballot Form for your consideration. The Company has appointed CS Manoj Maheshwari, Practicing Company Secretary, Jaipur, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Please read carefully the instructions printed in the postal ballot form and return the form duly completed in all respects in the enclosed self-addressed business reply envelope so that it could reach the scrutinizer, on or before the closing of working hours i.e 5.00 p.m on Monday, 21<sup>st</sup> October, 2013, at M/s. Computech Sharecap Ltd. 147, Mahatma Gandhi Road, Fort, Mumbai – 400 001.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by postal ballot will be announced on Wednesday, 30<sup>th</sup> October, 2013 by the Chairman or Managing / Whole-Time Director or Sr. Vice President (Fin. & Com.) & Company Secretary. Members who wish to be present at the time of declaration of results may do so by reaching at the Registered Office of the Company at the appointed time. Also, the result will be intimated through press release in newspapers. The resolution, if approved, will be taken as passed effectively on the date of declaration of result.

### SPECIAL BUSINESS:

**Issuance of 6,00,000 (Six Lacs) equity shares to person other than promoter i.e Foreign Institutional Investors (FIIs) and 16,00,000 (Sixteen Lacs) convertible Warrants to promoters and promoter group.**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a Special Resolution through Postal Ballot:

**“RESOLVED THAT** pursuant to the provisions of Sections 81, 81(1A) and all other applicable provisions (if any) of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and in accordance with the guidelines, rules and regulations, including the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the Listing Agreement entered into by the Company with the Stock Exchanges on which the Company is listed, terms and conditions of approvals, permissions, sanctions, if any, the Reserve Bank of India, Government of India, other appropriate authorities and enabling provisions in the Memorandum and Articles of Association of the Company and subject to the such approvals, consents, permission or sanctions (including any conditions there of or modifications to the terms contained therein), if any, as may be prescribed while granting such consents, approvals, permission and sanctions, which may be agreed to by the Board, (hereinafter referred to as the “Board” which term shall include any Committee constituted/ to be constituted by the Board for exercising all or any of the powers conferred on the Board by this resolution), the Board be and is hereby authorized to create, offer, issue, allot and deliver not exceeding 6,00,000 (Six Lacs) equity shares to person other than promoters i.e. Foreign Institutional Investors (FIIs) and 16,00,000 (Sixteen Lacs) convertible Warrants to promoter and promoter group, on such terms and conditions and in such manner as may be deemed appropriate. Each warrant providing the holder, the option to subscribe to one fully paid up equity share of Rs.10/- each for every warrant (Aggregating to up to 16,00,000 (Sixteen Lacs) equity shares) at such prices prescribed under the guidelines issued by SEBI in this respect of which 100% of equity price and 25% of warrant price would be payable at the time of application and before the allotment and balance 75 % of warrant price would be payable on or before the exercise of the conversion of the warrant into equity shares, for cash on a preferential basis in one or more tranches within 18 months from the date of issue, provided that promoter’s shareholding does not increase by more than 5% of the equity share capital in any financial year as per Issue of Capital and Disclosure Requirements (ICDR) Regulation, 2009 issued by SEBI, as amended from time to time and on such terms & conditions as may be deemed appropriate by the Board, to the promoters and persons other than promoters of the Company namely :-

| S. No. | Name of the promoter          | No. of Warrants |
|--------|-------------------------------|-----------------|
| 1      | SHRI RAMESHWAR LAL TOSHNIWAL  | 25000           |
| 2      | SMT. PREM TOSHNIWAL           | 85000           |
| 3      | SHRI RAVINDRA KUMAR TOSHNIWAL | 450000          |
| 4      | SMT. RADHIKA TOSHNIWAL        | 250000          |

|    |                                      |                |
|----|--------------------------------------|----------------|
| 5  | SHRI SHALEEN TOSHNIWAL               | 350000         |
| 6  | SMT.SONAL TOSHNIWAL                  | 150000         |
| 7  | SMT.NAVNITA MEHRA                    | 70000          |
| 8  | SMT.KAVITA SONI                      | 70000          |
| 9  | LAWSON TRADING COMPANY PVT. LTD.     | 50000          |
| 10 | NIRAL TRADING PVT. LTD.              | 50000          |
| 11 | MOONFINE TRADING COMPANY PVT. LTD.   | 25000          |
| 12 | SPEEDSHORE TRADING COMPANY PVT. LTD. | 25000          |
|    | <b>TOTAL</b>                         | <b>1600000</b> |

| S. No. | Other than Promoter         | No. of Equity Shares |
|--------|-----------------------------|----------------------|
| 1      | INDUS KAMDHENU FUND LIMITED | 600000               |

**RESOLVED FURTHER THAT** the equity shares and shares resulting from the exercise of such warrants, proposed to be issued and allotted as above, shall rank pari passu in all respect with the existing equity shares of the Company including dividend and other corporate benefits.

**RESOLVED FURTHER THAT** the relevant date for the purpose of calculating the issue price of the above mentioned equity shares and Warrants (including the Equity Shares to be issued on exercise of the Warrants) under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 relating to preferential issues will be 30.09.2013 being the date of 30 days prior to the date of passing of this Resolution.

**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid shall be made at such time or times as the Board may in its absolute discretion decide.

**RESOLVED FURTHER THAT** equity shares issued to person other than promoters and the warrants and the equity shares to be allotted to the holders of the warrants on conversion shall be freely transferable from the date of allotment, subject to the lock-in requirements as prescribed by SEBI Regulations from time to time.

**RESOLVED FURTHER THAT** on conversion of the warrants, the equity shares shall be listed with the Stock Exchanges on which the existing equity shares of the Company are listed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to aforesaid resolution, any one of Shri R. L. Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary be and is hereby authorized to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment, listing with stock exchanges, depositories and utilization of the proceeds of the issue of the above mentioned warrants and to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any other Director(s) or any other officer (s) or employee (s) of the Company or any advisor, consultant as it may consider appropriate and further to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the above directors / officials in its absolute discretion deem fit and to finalize and execute all documents, papers, agreement, deeds and writings as may be necessary and desirable as it may deem fit."

By Order of the Board of Directors

Place: Mumbai  
Date: 8<sup>th</sup> August, 2013

J.K. Jain  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A (2) OF THE COMPANIES ACT, 1956.

The Company needs long term resources to buy the Equity Shares of Carreman Fabrics India Ltd. held by Carreman, France and also to induct long terms funds for general corporate purposes. As such, the Board has approved the issue and allotment of 6,00,000 (Six Lacs) equity shares and 16,00,000 (Sixteen Lacs) convertible warrants at a price which may be determined in terms of pricing formula of Chapter VII of SEBI (ICDR) Regulation, 2009 on preferential basis under Sections 81, 81(1A) of the Companies Act, 1956. The said proposal is required to be passed through **Special Resolution**.

If any of the warrant holders do not opt for the conversion of warrants into Equity Shares by payment of balance amount within the stipulated time as mentioned in the resolution, the amount paid by them on allotment of warrants will automatically get forfeited.

The proposed preferential allotment shall not result in any change in the Management / control.

The Disclosures pursuant to Regulation 73 of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are as under:

**1. Objects of the issue through preferential offer**

The Company needs long terms resources to buy the Equity Shares of Carreman Fabrics India Ltd. held by Carreman, France and also to induct long terms funds for general corporate purposes.

**2. Promoters, Directors and Key Managerial personnel to subscribe to the issue:**

The following promoters/associates intend to subscribe to the number of warrants as mentioned below:

| Name of the promoter                 | No. of Warrants |
|--------------------------------------|-----------------|
| SHRI RAMESHWAR LAL TOSHNIWAL         | 25000           |
| SMT. PREM TOSHNIWAL                  | 85000           |
| SHRI RAVINDRA KUMAR TOSHNIWAL        | 450000          |
| SMT.RADHIKA TOSHNIWAL                | 250000          |
| SHRI SHALEEN TOSHNIWAL               | 350000          |
| SMT.SONAL TOSHNIWAL                  | 150000          |
| SMT.NAVNITA MEHRA                    | 70000           |
| SMT.KAVITA SONI                      | 70000           |
| LAWSON TRADING COMPANY PVT. LTD.     | 50000           |
| NIRAL TRADING PVT. LTD.              | 50000           |
| MOONFINE TRADING COMPANY PVT. LTD.   | 25000           |
| SPEEDSHORE TRADING COMPANY PVT. LTD. | 25000           |
| <b>TOTAL</b>                         | <b>1600000</b>  |

**3. Other than Promoter**

Foreign Institutional Investor (FIIs) intends to subscribe to the number of equity shares as mentioned below:

| Other than Promoter         | No. of Equity Shares |
|-----------------------------|----------------------|
| INDUS KAMDHENU FUND LIMITED | 600000               |

**4. The consequential change in shareholding pattern before and after the preferential issue will be as follows :**

| Particulars                                                        | Existing shareholding<br>No. of shares | % of<br>holding | Shareholding post conversion of Warrants<br>No. of shares | % of<br>holding |
|--------------------------------------------------------------------|----------------------------------------|-----------------|-----------------------------------------------------------|-----------------|
| Promoters & Associates                                             | 8396922                                | 56.90           | 9996922                                                   | 58.96           |
| Public including bank, mutual fund,<br>financial institutions etc. | 6359439                                | 43.10           | 6959439                                                   | 41.04           |
| <b>Total</b>                                                       | <b>14756361</b>                        | <b>100.00</b>   | <b>16956361</b>                                           | <b>100.00</b>   |

**5. Proposed time within which the preferential issue shall be completed.**

The allotment shall be completed within 15 days from the date of passing of the above resolution i.e. declaration of the result by the Chairman or Managing / Whole-Time Director or Sr. Vice President (Fin. & Com.) & Company Secretary, provided that where the allotment is pending on account of pendency of any approval for such allotment by any Statutory or Regulatory authority, the period of 15 days shall be counted from the date of such approval or permission as the case may be or such other extended period as may be permitted under applicable SEBI Regulations, as amended from time to time.

**6. The identities of the proposed allottees and the percentage of the post preferential issue capital that may be held by them:**

The details of the proposed allottees and the percentages of the post preferential issue capital are as mentioned herein Disclosures pursuant to the SEBI (ICDR) Regulations, 2009:

**Promoter Holding**

| Name of the proposed allottees | Category | Pre-issue                    |              | Post-issue<br>(After conversion of share warrants) |              |
|--------------------------------|----------|------------------------------|--------------|----------------------------------------------------|--------------|
|                                |          | No. of Equity<br>Shares held | % of holding | No. of Equity<br>Shares held                       | % of holding |
| SHRI RAMESHWAR LAL TOSHNIWAL   | Promoter | 35974                        | 0.24         | 60974                                              | 0.36         |
| SMT. PREM TOSHNIWAL            | Promoter | 806449                       | 5.47         | 891449                                             | 5.26         |
| SHRI RAVINDRA KUMAR TOSHNIWAL  | Promoter | 1763947                      | 11.95        | 2213947                                            | 13.06        |
| SMT. RADHIKA TOSHNIWAL         | Promoter | 1028065                      | 6.97         | 1278065                                            | 7.54         |

|                                      |          |                |       |                |       |
|--------------------------------------|----------|----------------|-------|----------------|-------|
| SHRI SHALEEN TOSHNIWAL               | Promoter | 1750680        | 11.86 | 2100680        | 12.39 |
| SMT. SONAL TOSHNIWAL                 | Promoter | 691175         | 4.68  | 841175         | 4.96  |
| SMT. NAVNITA MEHRA                   | Promoter | 525638         | 3.56  | 595638         | 3.51  |
| SMT. KAVITA SONI                     | Promoter | 525075         | 3.56  | 595075         | 3.51  |
| LAWSON TRADING COMPANY PVT. LTD.     | Promoter | 347018         | 2.35  | 397018         | 2.34  |
| NIRAL TRADING PVT. LTD.              | Promoter | 499665         | 3.39  | 549665         | 3.24  |
| MOONFINE TRADING COMPANY PVT. LTD.   | Promoter | 157500         | 1.07  | 182500         | 1.08  |
| SPEEDSHORE TRADING COMPANY PVT. LTD. | Promoter | 165736         | 1.12  | 190736         | 1.12  |
| <b>TOTAL</b>                         |          | <b>8296922</b> |       | <b>9896922</b> |       |

#### Other than Promoter Holding

| Name of the proposed allottee | Category | Pre-issue                 |              | Post-issue                |              |
|-------------------------------|----------|---------------------------|--------------|---------------------------|--------------|
|                               |          | No. of Equity Shares held | % of holding | No. of Equity Shares held | % of holding |
| INDUS KAMDHENU FUND LIMITED   | FII      | --                        | --           | 600000                    | 3.54         |

#### 7. Undertaking

The company undertakes, if required, to re-compute the issue price of equity shares to be issued upon conversion of the Share warrants as per the provisions of SEBI regulations. The company also undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

#### 8. Relevant Date

The relevant date for the purpose of calculating the price of equity shares and convertible share warrants being allotted pursuant to this resolution (including the Equity Shares to be issued on conversion of the Warrants) is 30.09.2013 being the date of 30 days prior to the date of passing of this Resolution.

#### 9. Pricing of the issue

The pricing of the shares warrant and equity shares to be allotted to the promoters and persons other than promoters on the preferential basis shall not be lower than the price determined in accordance with the chapter VII of SEBI (ICDR) Regulations, 2009.

Chapter VII of SEBI (ICDR) Regulations, 2009 provides that the issuance of equity shares to person other than promoters i.e. Foreign Institutional Investors (FIIs) and convertible Warrants to promoter and promoter group can be made at a price not less than higher of the following:

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

The Relevant Date for the purpose of pricing of the share warrant shall be 30.09.2013 being the date which is 30 days prior to the date declaration of the result of the Postal Ballot i.e. 30.10.2013.

The price shall be determined on the basis of the quotes available on the Bombay Stock Exchange Ltd. Website being the Stock Exchange having highest trading volume during the preceding twenty six weeks prior to the relevant date.

#### 10. Auditors Certificate

The certificate of the Statutory Auditors of the Company certifying that the issue of Shares & warrants is being made in accordance with the requirements of SEBI's Guidelines for preferential issues as contained in the SEBI (ICDR) guidelines, 2009 will also be available at the registered office of the company between 10.00 A.M to 1.00 P.M on any working day except public holidays from the Relevant Date (i.e. 30.09.2013) up to the last date for voting under postal ballot (i.e. 21.10.2013) and shall also be available at the date of declaration of the results of the postal ballot.

None of the Director except Shri R. L. Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri Shaleen Toshniwal, Jt. Managing Director of the Company is in any way concerned or interested in the said resolution. The Board of Directors commends the resolution set out in the notice for approval of shareholders as a Special Resolution.

By Order of the Board of Directors

Place: Mumbai  
Date: 8<sup>th</sup> August, 2013

J.K. Jain  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

# BANSWARA SYNTEX LIMITED

saint  
WILLIAMSBURG, VIRGINIA

Regd. Office:- Industrial Area, Dohad Road, Banswara - 327001 (Raj.)

## POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

SERIAL No.

1. Name(s) of Member(s)/Beneficial Owner

(including joint holders, if any, in block letters)

2. Registered address of the sole/first named

Member/Beneficial Owner

3. Registered folio No./DP ID\*/Client ID\*

(Applicable to investors holding  
shares in dematerialized form)

4. Number of shares held

5. I/We hereby exercise my/our vote in respect of the 'Special Resolution' to be passed through postal ballot for the business stated in the Notice of Postal Ballot dated 8<sup>th</sup> August, 2013 issued by the Company by sending my/our assent/dissent to the said Special Resolution by placing the tick mark (✓) in the appropriate column below:

| Particulars                                                                                                                                                                                                                                                                                 | No. of<br>shares | I/We assent to the<br>Resolution<br>(FOR) | I/We dissent to<br>the Resolution<br>(AGAINST) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------|------------------------------------------------|
| Special Resolution pursuant to Sections 81<br>81(A) and all other applicable provisions and<br>Section 192A of the Companies Act, 1956 for<br>Issuance of Equity Shares & Convertible Warrants<br>on Preferential Basis to the Persons Other than<br>Promoters /Promoters & Promoter group. |                  |                                           |                                                |

Place:

Date:

Signature of the Member/ Beneficial Owner

NOTE: FOR INSTRUCTIONS, PLEASE SEE OVERLEAF

P.T.O.

## INSTRUCTIONS

1. A Member desiring to cast his/her vote by postal ballot should complete this Postal Ballot Form and send it back to the Company only in the enclosed self addressed business-reply envelope. Postage will be borne and paid by the Company. However, envelope containing postal ballot, if sent by courier at the expense of the Members, will also be accepted.
2. The self-address business-reply envelope addresses the Scrutinizer appointed by the Board of Directors of the Company is attached herewith.
3. This form should be completed and signed by the shareholder. In case of joint share holding, this Form should be completed and signed (as per the specimen signature registered with the Company/Depository Participants) by the first named Member and in his absence, by the next named Member. Joint shareholders shall be counted as single shareholder when voting right is considered.
4. Unsigned/incomplete/defaced/mutilated Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot form after enclosing in self address business reply envelope should reach to the Scrutinizer at the designated address (as mentioned on the envelope) not later than closing working hours i.e. 5.00 P.M on 21<sup>st</sup> October, 2013. Any Postal Ballot Form received after the aforesaid time and date will be treated as if Postal Ballot Form, from such Members, has not been received.
6. Voting rights shall be reckoned only on the fully paid up shares registered in the name of the Member as on the date of dispatch on Notice of Postal Ballot.
7. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should also be accompanied by certified true copy of Board Resolution/ Letter of Authority delegating requisite power to the person to cast vote on the Postal Ballot Form.
8. Member is requested not to send any other matter along with the Postal Ballot Form. If any extraneous materials/papers are found, the same will be destroyed by the Scrutinizer.
9. Member is requested to fill the Postal Ballot Form with indelible ink pen (and avoid filling it by using erasable writing medium/s, e.g. pencil etc.).
10. The right of voting by Postal Ballot shall not be exercised by a proxy.
11. Votes of the Members from whom no Postal Ballot Form is received or is received after the stipulated time, as mentioned in the instruction number 5 of this leaf, shall not be counted for the purpose of the passing the Resolutions.
12. The Scrutinizer's decision on the validity of a Postal Ballot will be final.