

PRITI MERCANTILE COMPANY LIMITED

Regd. Office : 10-B, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given to the members that an Extra Ordinary General Meeting of the Members of **PRITI MERCANTILE COMPANY LIMITED** will be held on Wednesday 24th day of August, 2011 at 11.00 A.M. at the Registered Office of the Company at 10-B, VIP Colony, Civil Lines, Rampur - 244901 (U.P.) to transact the following business :

SPECIAL BUSINESS

1. **To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 16 and 94 of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 10,00,00,000/- (Rupees Ten Crores) to Rs. 15,00,00,000/- (Rupees Fifteen Crores) by creation of 50,00,000 (Fifty Lacs) additional Equity Shares of Rs. 10/- each and that the Equity Shares so created shall rank pari passu with the existing Equity Shares of the Company.

FURTHER RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be deleted and that following clause shall be substituted in its place :-

- V. *The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.*

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds and things which are necessary to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to Section 31 of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be deleted and that following Article shall be substituted in its place :-

3. *The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided under Clause V of the Memorandum of Association of the Company. The Company shall have power to subdivide, consolidate and increase or decrease and with power from time to time issue shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may thought fit, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.*

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds and things which are

necessary to give effect to this resolution."

3. **To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"**RESOLVED** that pursuant to Article 58 of the Articles of Association of the Company and recommendation of Board of Directors and subject to the guidelines issued by Securities & Exchange Board of India and subject to such consents and approvals as may be required from appropriate authorities, the consent of the members of the Company be and is hereby accorded for issuance of 44,58,900 Equity Shares of Rs. 10/- each as fully paid-up Bonus Shares by capitalization of Rs. 4,45,89,000/- (Rupees Four Crores Forty Five Lacs Eighty Nine Thousand) out of General Reserves / Securities Premium Account to the Equity Shareholders in the proportion of 1 (One) Equity Share for every 2 (Two) Equity Shares held, to those Equity Shareholders whose names shall appear in the Register of Members / beneficial owners on the record date to be fixed by Board of Directors of the Company and that the new Equity Shares shall rank pari passu with the existing Equity Shares of the Company."

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds and things which are necessary to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to Section 31 of the Companies Act, 1956, the existing Article 58 of the Articles of Association of the Company be deleted and that following Article shall be substituted in its place :-

58. *The Board of Directors/General Meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divide) be capitalised and distributed amongst such of the members as would be entitled to receive the same, if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such amount be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued share and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized amount. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve account may, for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.*

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds and things which are necessary to give effect to this resolution."

**For and on behalf of the Board of Directors
of Priti Mercantile Company Ltd.**

**Place : New Delhi
Dated : 30th July, 2011
Notes:**

**(R. K. Modi)
Managing Director**

- 1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself/ herself and the Proxy need not be a Member of the Company. The Proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. Proxy Form is attached.**
2. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Extra-Ordinary General Meeting is annexed hereto.
3. The Company representatives are requested to attend the Meeting along with documentary proof of authorization.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 1400-1600 hrs. up to the date of the meeting.
5. Members holding shares in physical form are requested to advise about any change of address/Bank account details to the Company or its Registrar.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 1

The existing Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each. The Company intends to increase its capital base for extending the scope of its operations and for future growth. Therefore, the Board has recommended in its meeting held on 30th July, 2011 to increase the Authorized Share Capital of the Company to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/- each by way of creation of new 50,00,000 Equity Shares of Rs. 10/- each ranking pari passu with the existing equity shares of the Company. Accordingly the existing Clause V of the Memorandum of Association of the Company needs to be altered and substituted by the new Clause V.

As per Section 16 and 94 of the Companies Act, 1956 consent of shareholders is required in the general meeting of the company for increasing the authorized share capital of the Company and consequent alteration in Clause V of the Articles of Associations of the Company.

Therefore, the Board of Directors recommends this resolution for your approval.

None of the Directors is, in any way, concerned/interested in this resolution.

Item No. 2

Presently the Authorised Share Capital is stated in Clause V of the Memorandum of Association as well as in Article 3 of the Articles of Association of the Company. Whenever it is desired to increase the Authorised Share Capital, the Company is required to amend both the said Clauses. Therefore, to make it convenient, it is proposed to amend Article 3 of the Articles of Association so that the Company will need to amend Clause V of the Memorandum of Association for increasing the Authorised Share Capital of the Company in future. Accordingly the existing Article 3 of the Articles of Association of the Company needs to be altered and substituted by the new Article 3.

As per Section 31 of the Companies Act, 1956, consent of shareholders is required in the general meeting of the company by way of Special Resolution for amending any Article of the Articles of Association of the Company.

Therefore, the Board of Directors recommends this resolution for your approval.

None of the Directors is, in any way, concerned/interested in this resolution.

Item No. 3

The proposal for issuance of bonus shares is made to provide liquidity to the equity shares by increasing the available number of equity shares in the market and also to reward the members by allotting bonus shares. By issuance of equity shares by way of bonus, the paid-up equity share capital of the Company will be increased from Rs. 8,91,78,000/- to Rs. 13,37,67,000/-.

The proposal for issuance of bonus shares is beneficial to the members of the Company as well as to the Company. Therefore, the board recommends passing of the resolution as an Ordinary Resolution.

The Directors of the Company may be deemed to be concerned/interested in the proposed resolution to the extent of their shareholding in the Company.

Item No. 4

Presently in terms of Article 58 of the Articles of Association of the Company, the Company is required to obtain the approval of shareholders for capitalization of profits and issuance of bonus shares. For the administrative convenience and to reduce the time to issue bonus shares, it is proposed to authorize Board of Directors to exercise the powers of capitalization of profits and issuance of bonus shares as provided in Article 58 of the Articles of Association of the Company. Accordingly the existing Article 58 of the Articles of Association of the Company needs to be altered and substituted by the new Article 58.

As per Section 31 of the Companies Act, 1956, consent of shareholders is required in the general meeting of the company by way of Special Resolution for amending any Article of the Articles of Association of the Company.

Therefore, the Board of Directors recommends this resolution for your approval.

None of the Directors is, in any way, concerned/interested in this resolution.

**For and on behalf of the Board of Directors
of Priti Mercantile Company Ltd.**

**Place : New Delhi
Dated : 30th July, 2011**

**(R. K. Modi)
Managing Director**

PRITI MERCANTILE COMPANY LIMITED

Regd.Office : 10-B, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

#FOLIO NO.....

#NO OF SHARES HELD.....

CLIENT ID.

NAME OF THE MEMBER.....

(in block letters)

NAME OF PROXY.....

(if any)

I hereby record my presence at the Extra-ordinary General Meeting of the company held on Wednesday, 24th Day of August, 2011.

.....
Signature of the Member/Proxy

#ADMISSION SLIP WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED

PRITI MERCANTILE COMPANY LIMITED

Regd.Office : B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

PROXY FORM

FOLIO NO.

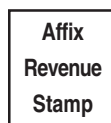
NO. OF SHARES HELD

CLIENT ID.

I/Weof.....in the district of.....being member/members of the above named company hereby appoint.....of failing him/her.....of.....in the district of.....as my/our proxy to attend and vote for me/us our behalf at the Extra-ordinary General Meeting of the company to held on Wednesday, 24th Day of August, 2011 at 11.00 a.m. at Regd. Office and any adjournment thereof.

Signed this.....day of.....2011.

Signature.....



Note : This form should signed across the stamp as per specimen signature with the company. The proxy must reach the Registered Office of the company not less than 48 Hours before the time fixed for holding the aforesaid meeting.

BOOK - POST

If undelivered, please return to :

PRITI MERCANTILE COMPANY LIMITED

Regd. Office : 10-B, VIP Colony,
Civil Lines, Rampur - 244901 (U.P.)