



24<sup>th</sup> September, 2012

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| The Bombay Stock Exchange Limited<br>Exchange Plaza, 5 <sup>th</sup> Floor,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001<br>Fax No. 2272 3121/2037 | National Stock Exchange of India Ltd.<br>Exchange Plaza,<br>Plot No. C-1, G – Block,<br>Bandra Kurla Complex,<br>Mumbai – 400 051<br>Fax No. 2659 8237/38 |
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Kind Attn: Corporate Relation Dept.

Dear Sirs,

**Ref: Arshiya International Limited - BSE SCRIP CODE: (506074)  
NSE SCRIP NAME: (ARSHIYA)**

**Sub: Notice of Extra Ordinary General Meeting**

We invite your attention to our letter dated 20<sup>th</sup> September, 2012 regarding outcome of Board Meeting held on 20<sup>th</sup> September, 2012 in Mumbai.

Further, pursuant to Clause 31(b) of the Listing Agreement, please find enclosed 6 copies of Notice of Extra Ordinary General Meeting to be held on Thursday, October 18, 2012 at 11.00 a.m. at Sai Palace Hotels, Mahakali Caves Road, Chakala, Andheri (East), Mumbai – 400 093.

This is for your information and record.

Thanking you,

Yours faithfully,  
For **Arshiya International Limited**

  
**Chief Compliance Officer**

Encl: As above

**Arshiya International Ltd**

**ARSHIYA INTERNATIONAL LIMITED**

(Regd. Off: 3rd Floor, Plot No.61, Road No.13, M.I.D.C., Andheri (East), Mumbai – 400 093.)

**NOTICE**

Notice is hereby given that an Extra Ordinary General Meeting ("EOGM") of Members of Arshiya International Limited will be held on Thursday, October 18, 2012 at 11.00 a.m. at Sai Palace Hotels, Mahakali Caves Road, Chakala, Andheri (E), Mumbai- 400 093. to transact the following Special Business:-

**1. To consider and if deemed fit, to pass with or without modification, the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments thereto or re-enactment thereof for the time being in force), and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and/or other applicable rules, regulations etc and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot on Preferential basis 1,36,00,000 (One Crore Thirty Six Lacs only) no of Warrants, convertible at the option of the holder, in one or more tranches, in to equivalent number of Equity Shares of Re.2/- each of the Company, to Mr. Ananya Mittal, being person forming part of Promoter/ Promoter Group of the Company at a price of Rs. 145/- (Rupees One Hundred Forty Five only) per Warrant (being the price higher than the price determined in accordance with the SEBI ICDR Regulations), including premium of Rs. 143/- (Rupees One Hundred Forty Three Only) per warrant aggregating to Rs. 197.20 Crores (Rupees One Hundred Ninety Seven Crore and Twenty Lacs only) and on such terms in accordance with SEBI ICDR Regulations and that the Board be and is hereby authorized to finalize all matters incidental thereto as it may in its absolute discretion deem fit, in accordance with all applicable laws, rules and regulations for the time being in force in this regard.

**RESOLVED FURTHER THAT**

- a) the 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of warrants shall be September 18, 2012, being the date 30 days prior to the date of EOGM on October 18, 2012.
- b) The Equity Shares to be allotted on exercise of option by the warrant holder(s) shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- c) The proposed allottee(s) of the Warrants shall on the date of allotment of Warrants pay an amount equivalent to atleast 25% of the issue price of Warrants in terms of the SEBI ICDR Regulations. The balance 75% of the issue price shall be payable on or before the conversion of said Warrants into Equity Shares, within a maximum permissible period of 18 months from the date of allotment of Warrants. The proposed allottee shall be required to bring in 100% of the consideration before allotment of Equity Shares upon conversion of Warrants.
- d) the equity shares which may be issued and allotted, as a result of conversion of such warrants, shall rank *pari passu* with the existing Equity Shares of the Company in all respects including that of payment of Dividend, if any.
- e) Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the warrants issued and allotted will be transferable within the promoters or promoter or to a new promoter or persons in control of the issuer provided that lock-in on such warrants shall continue for the remaining period with the transferee.
- f) In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of Equity Shares resulting from the exercise of the option under the warrants, the warrant holders would be entitled to the benefit of such bonus in the same proportion in which the equity share capital of the Company increases as a consequence of such bonus issue whether through an augmentation in the number of shares to be allotted against such increment and/ or such other method as the Board may decide without increasing the amount payable on exercise of the warrants by the warrant holders.
- g) In the event of the Company making a right offer by way of issue of new equity shares prior to allotment of Equity Shares resulting from the exercise of the option under the warrants, the entitlement of the Equity Shares under the warrants shall stand increased in the same proportion in the rights offer and such additional Equity Shares will be offered to the warrant holders at the same price at which the existing shareholders are offered Equity Shares.
- h) the Board be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as they may deem fit and appropriate and/or give such directions and instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to the offer, issue, or allotment of the said warrants and equity shares to be allotted upon conversion of warrants, and also to seek the Listing of such equity shares on the Stock Exchanges in India where the Company's shares are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board and Mr. Sandesh Chonkar, Executive Director & CFO, Mr. Nimesh S. Shah and Mr. Shubhendu Tewari, Company Executives are severally, be and are hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable bye-laws, rules, regulations or guidelines and to finalise and execute all agreement(s), document(s) and writing(s) and to do all acts, deeds and things in this connection 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 Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly under the authority of this resolution."

By Order of the Board of Directors  
For Arshiya International Limited

Date: September 20, 2012  
Place: Mumbai

Ajay S. Mittal  
Chairman & Managing Director

#### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE EXTRA ORDINARY GENERAL MEETING.

2. Corporate Members are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution/Power of Attorney/other valid authority, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Extra Ordinary General Meeting.
3. Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of Notice of Extra Ordinary General Meeting to the Meeting, as no copies will be made available at the meeting.
4. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name and attending the meeting, will be entitled to vote.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 including disclosures required under SEBI ICDR Regulations is given below.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

In order to augment the long term funding needs of the Company viz., reduce debts, to meet capital expenditure and to meet working capital requirements, as may be decided by the Board in the interest of the Company, your Company is proposing a preferential issue of Warrants convertible into equity shares in accordance with applicable Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and for this purpose seek your approval to the proposed Special Resolution under the provisions of Section 81(1A) of the Companies Act, 1956 ("the Act").

Your Board in the meeting held on September 20, 2012 had, subject to approval of shareholders and requisite statutory approvals as may be applicable, proposed preferential issue aggregating to 1,36,00,000 (One Crore Thirty Six Lacs only) no. of Warrants convertible into equivalent no. of Equity Shares of Rs. 2/- each of the Company to Mr. Ananya Mittal, being person forming part of Promoter/Promoter Group of Company, at a price of Rs. 145/- (rupees One Hundred and Forty Five Only) per warrant (being the price higher than the price determined in accordance with the SEBI ICDR Regulations), aggregating to Rs.197.20 Crores (Rupees One Hundred Ninety Seven Crore and Twenty Lacs only).

In accordance with Chapter VII of SEBI ICDR Regulations any issue of shares / convertible warrants on a preferential basis can be made only at a price, which is not less than the higher of the following:

- (i) The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during twenty six weeks preceding the "relevant date";
- OR
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on a recognized stock exchange during two weeks preceding the "relevant date".

The Relevant date for the purpose shall be the date which is thirty days prior to the date of EOGM to consider the proposed issue under Section 81(1A) of the Act is declared. As the EOGM is proposed to be held on October 18, 2012, the Relevant Date relating to the issuance of these warrants is September 18, 2012.

The Equity shares which may be allotted upon conversion of the warrants shall be subject to the Memorandum and Articles of Association of the Company, the terms of the issue and shall rank pari passu in all respects with, and carry the same rights including dividend, if any, as the existing equity shares.

Your Board believes that the proposed subscription of Warrants by the Promoters reflects their commitment and confidence in the Company's business and will be in the best interest of the Company and its members.

**Disclosure under Regulation 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) for Preferential Issues:**

**a) Objects of the Issue:**

To augment the long term funding needs of the Company for its on-going capital expenditure for expansion projects and to augment working capital needs and/or to reduce the debt of the Company etc as may be decided by the Board in the interest of the Company.

**b) Proposal of Promoters to Subscribe to the Offer:**

The preferential issue is being made to Mr. Ananya Mittal, being person forming part of the Promoter/Promoter Group of the Company. As such this special resolution is being sought to approve subscription to the Warrants by the Promoters and/or Promoter Group that are being offered through this resolution.

**c) Shareholding Pattern before and after the Proposed Issue (based on the shareholding pattern as at the relevant date i.e. September 18, 2012):**

| Sr.      | Category of Shareholder            | Pre Issue Shareholding |               | Post Issue Shareholding(*) |               |
|----------|------------------------------------|------------------------|---------------|----------------------------|---------------|
|          |                                    | No of Shares           | % of Capital  | No of Shares               | % of Capital  |
| <b>1</b> | <b>Promoter/Promoter Group</b>     |                        |               |                            |               |
|          | Mr. Ananya Mital                   | 0                      | 0             | 1,36,00,000                | 18.78%        |
|          | Other Promoters                    | 2,62,34,710            | 44.59         | 2,62,34,710                | 36.22%        |
|          | <b>Total Promoter Shareholding</b> | <b>2,62,34,710</b>     | <b>44.59</b>  | <b>3,98,34,710</b>         | <b>55.00%</b> |
| <b>2</b> | <b>Public Shareholding</b>         | <b>3,25,94,762</b>     | <b>55.41</b>  | <b>3,25,94,762</b>         | <b>45.00%</b> |
|          | <b>Total</b>                       | <b>5,88,29,472</b>     | <b>100.00</b> | <b>7,24,29,472</b>         | <b>100%</b>   |

(\*) The above post-issue shareholding assumes subscription of all Warrants proposed in the resolution and its conversion into equivalent number of Equity Shares of the Company.

**d) Proposed time within which allotment will be completed:**

As required under the SEBI ICDR Regulations, the Company shall complete the allotment(s) of Warrants as aforesaid on or before the expiry of 15 days from the date of passing of this resolution by the Shareholders or where allotment of Warrants require any approval(s) from any regulatory authority or statutory authorities or the Central Government, the said allotment will be completed within 15 days from the date of such approval(s) as the case may be.

**e) The identity of the proposed allottee and the percentage of Post Preferential Issue capital that may be held by allottee :**

| Sr. | Identity of the proposed Allottee | No. of warrants to be allotted | % of Shareholding post Issue/ Conversion |
|-----|-----------------------------------|--------------------------------|------------------------------------------|
| 1.  | Mr. Ananya Mittal                 | 1,36,00,000                    | 18.78%                                   |

(\*) The above post-issue shareholding assumes subscription of all Warrants proposed in the resolution and its conversion into equivalent number of Equity Shares of the Company.

**f) Terms of Issue:**

1,36,00,000 (One Crore Thirty Six Lacs only) Warrants convertible into equivalent no. of Equity Shares are proposed to be issued at a price of Rs. 145/- (Rupees One Hundred Forty Five only) per Warrant including premium of Rs. 143/- (Rupees One Hundred Forty Three Only)

The proposed allottee of the Warrants shall on or before the date of allotment of Warrants pay an amount equivalent to 25% of the issue price i.e. Rs. 49.30 crores (Rupees Forty Nine Crores Thirty Lacs Only only) at Rs. 36.25 per Warrant.

The Warrant holders will be entitled to apply for and obtain allotment of one equity share of Rs. 2/- each of the Company against each Warrant at any time after the date of allotment of such Warrant but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of such entitlement, the Warrant holders shall pay the balance 75% of the consideration towards the balance subscription to each equity share.

If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for Equity Shares of the Company along with the rights attached thereto shall expire and the upfront 25% amount paid on such warrants shall stand forfeited.

**g) Undertaking of the Company:**

The Company hereby undertakes that:

- (i) It shall re-compute the price of the security(ies) specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009, where it is required to do so.
- (ii) If the amount payable on account of any such re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations the above specified security(ies) shall continue to be lock in till the time such amount is paid by allottee.

**h) Lock-in**

As per SEBI ICDR Regulations, the warrants proposed to be issued on preferential basis to the promoters and promoter group and the equity shares to be allotted pursuant to the exercise of option attached to warrants shall be subject to lock-in period of three years from the date of allotment of the specified securities or the equity shares allotted pursuant to exercise of the option attached to warrant.

In addition, the entire pre-preferential shareholding of the allottee shall be under lock-in from the Relevant date upto a period of six months from the date of allotment of Warrants - NA.

Certificate from the Statutory Auditors of the Company certifying that, the proposed preferential issue is being made in accordance with the requirements of Chapter VII of SEBI ICDR Regulations, shall be placed before the shareholders at the EOGM.

The proposed allotment on preferential basis, if made, would not result in any change in management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof.

Section 81(A) of the Companies Act, 1956 provides, *inter alia* that whenever it is proposed to issue further shares or securities convertible into shares, same shall be offered to the existing shareholders of the Company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

Accordingly, 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, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 governing Preferential Issue and in terms of the provisions of the Listing Agreement to issue and allot warrants and equity shares as stated in the Special Resolution.

None of the Directors of the Company except the Promoter Directors viz. Mr. Ajay S. Mittal and Mrs. Archana Mittal, are in any way, concerned or interested in the Resolution.

The Board recommends the Resolution for your approval by passing Special Resolution as proposed in the Notice.

**By Order of the Board of Directors  
For Arshiya International Limited**

Date: September 20, 2012

Place: Mumbai

**Ajay S. Mittal  
Chairman & Managing Director**

**BOOK-POST**



**ARSHIYA INTERNATIONAL LIMITED**

(Regd. Off: 3rd Floor, Plot No.61, Road No.13, M.I.D.C., Andheri (East), Mumbai – 400 093.)