

Notice of Extra-Ordinary General Meeting

NOTICE is hereby given to the members of the Company that an Extra-Ordinary General Meeting of members of **AUTOLITE (INDIA) LIMITED** will be held on Tuesday, 15th April, 2014 at 11.00 a.m. at the Registered Office of the Company at D-469, Road No. 9A, V.K.I. Area, Jaipur – 302013 (Rajasthan) to consider and approve the following special business:

1. Issuance of warrants convertible into equity shares on preferential basis to the promoters:

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

“RESOLVED THAT in terms of Section 81, 81(1A) and all other applicable provisions, if, any, of the Companies Act 1956 (the Act) (including any statutory modification(s) or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the company with the Stock Exchanges where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, for the time being in force, as may be applicable on preferential issue of Warrants Convertible into Equity Shares and other applicable regulations/guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the board by this resolution, have been delegated) and subject to such consents and approvals (including any conditions thereof, or modifications to the terms contained therein), if any, required by the appropriate authorities, including those of Stock Exchange(s), or such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the board while granting such consents and approvals, and which may be agreed to by or any other authority as may be necessary for that purpose the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot upto 5,00,000 (Five Lacs) Warrants Convertible into Equity shares of the Company, of Rs. 10/- each to the promoters on preferential basis convertible into 1 (one) Equity share of Rs. 10 (Rs. Ten Only) each fully paid-up at price of Rs. 18/- (Rupees Eighteen Only) including premium of Rs. 8/- (Rupees Eight Only) determined in accordance with the SEBI Guidelines provided that promoter's shareholding does not increase by more than 5% of the equity capital in any financial year.

Promoter Group:

S. No.	Name of the Proposed Allottees	No. of Warrants proposed to be allotted	25% Amt. payable including premium at the time of allotment of warrants (in Rs.)
1.	Smt. Usha Gupta	200,000	900,000
2.	Shri Amit Mahipal Gupta	150,000	675,000
3.	Shri Adarsh Mahipal Gupta	150,000	675,000
	Total	500,000	2,250,000

RESOLVED FURTHER THAT the pricing of the Equity shares to be allotted on conversion of the above said warrants, calculated in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on the 'Relevant Date' in relation to the conversion of every warrants into one Equity Shares, and the relevant date is as under :

- The 'Relevant Date' for the purpose of pricing of issue of the Shares in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is March 15, 2014, being the date 30 days prior to the date of passing of the Resolution by the members.
- 500,000 (Five Lacs) Warrants of Rs.18/- each shall be convertible into 500,000 (Five Lacs) Equity Shares of the face value of Rs.10 each on payment of aggregate price including premium of Rs.8/- (Rupees Eight Only).

- (iii) Exercise of offer for conversion of the warrants shall be at the sole option of the warrant holders at any time within a period of 18 months from the date of allotment of warrants in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (iv) The warrant holder(s) shall pay an amount equivalent to 25% i.e. Rs.4.50 (Rupees Four and Paise Fifty Only) per warrant of the value of the warrant on or before the date of allotment of warrants.
- (v) The amount referred to in point (iv) above shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option by the warrant holder(s).
- (vi) The warrant holder(s) shall pay on or before the date of conversion of such warrants into equity shares, the balance 75% i.e. Rs. 13.50 (Rupees Thirteen and Paise Fifty Only) for each warrant.
- (vii) The amount referred in above (iv) shall be forfeited, if the option to convert the shares is not exercised by the warrant holder(s) within the stipulated time.
- (viii) The equity shares allotted pursuant to the conversion of warrants which are issued to the Promoter Group shall be locked in for a period of three years from the date of trading approval granted by Stock Exchanges having nation wide terminals i.e. BSE & NSE.
- (ix) The allotment of convertible warrants shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority / body or the Central Govt. the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.
- (x) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the balance sheet and/or Directors' Report of the Company, indicating the purposes for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

RESOLVED FURTHER THAT all the Equity Shares resulting from the exercise of the warrants, proposed to be issued and allotted as above, shall rank pari passu in all respects with the existing Equity Shares of the Company including as to dividends.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities such as The Government of India, SEBI, Stock Exchanges or any other authority, while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority by this resolution.

RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued on conversion of warrants with all the stock Exchanges where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for admission of the new equity shares to be issued on conversion of warrants on preferential basis.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 or Directors or Company Secretary or any other officer(s) or employee(s) of the company or any advisor, as it may consider appropriate in order to give effect to this Resolution."

2. Issuance of warrants convertible into equity shares on preferential basis to the strategic investors:

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

“RESOLVED THAT in terms of Section 81, 81(1A) and all other applicable provisions, if, any, of the Companies Act 1956 (the Act) (including any statutory modification(s) or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the company with the Stock Exchanges where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, for the time being in force, as may be applicable on preferential issue of Warrants Convertible into Equity Shares and other applicable regulations/guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the board by this resolution, have been delegated) and subject to such consents and approvals (including any conditions thereof, or modifications to the terms contained therein), if any, required by the appropriate authorities, including those of Stock Exchange(s), or such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the board while granting such consents and approvals, and which may be agreed to by or any other authority as may be necessary for that purpose the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot upto 1,00,000 (One Lac) Warrants Convertible into Equity shares of the Company, of Rs. 10/- each to strategic investors on preferential basis convertible into 1 (one) Equity share of Rs. 10 (Rs. Ten Only) each fully paid-up at price of Rs. 18/- (Rupees Eighteen Only) including premium of Rs. 8/- (Rupees Eight Only) determined in accordance with the SEBI Guidelines.

Strategic investor group :

S. No.	Name of the Proposed Allottee(s)	No. of Warrants proposed to be allotted	25% Amt. payable including premium at the time of allotment of warrants (in Rs.)
1.	Shri Suresh R Maheshwari	100,000	450,000
	Total	100,000	450,000

RESOLVED FURTHER THAT the pricing of the Equity shares to be allotted on conversion of the above said warrants, calculated in accordance with the SEBI Guidelines on the ‘Relevant Date’ in relation to the conversion of every warrants into one Equity Shares, and the relevant date is as under:

- The ‘Relevant Date’ for the purpose of pricing of issue of the Shares in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is March 15, 2014, being the date 30 days prior to the date of passing of the Resolution by the members.
- 100,000 (One Lac) Warrants of Rs.18/- each shall be convertible into 100,000 (One Lac) Equity Shares of the face value of Rs.10 each on payment of aggregate price including premium of Rs.8/- (Rupees Eight Only).
- Exercise of offer for conversion of the warrants shall be at the sole option of the warrant holders at any time within a period of 18 months from the date of allotment of warrants in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The warrant holder(s) shall pay an amount equivalent to 25% i.e. Rs.4.50 (Rupees Four and Paise Fifty Only) per warrant of the value of the warrant on or before the date of allotment of warrants.
- The amount referred to in point (iv) above shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option by the warrant holder(s).
- The warrant holder(s) shall pay on or before the date of conversion of such warrants into equity shares, the balance 75% i.e. Rs. 13.50 (Rupees Thirteen and Paise Fifty Only) for each warrant.

- (vii) The amount referred in above (iv) shall be forfeited, if the option to convert the shares is not exercised by the warrant holder(s) within the stipulated time.
- (viii) The equity shares arising out of conversion of warrants which are issued to the Strategic Investor Group shall be locked in for a period of one year from the date of trading approval granted by Stock Exchanges having nation wide terminals i.e. BSE & NSE.
- (ix) The allotment of convertible warrants shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority / body or the Central Govt. the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.
- (x) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the balance sheet and/or Directors' Report of the Company, indicating the purposes for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

RESOLVED FURTHER THAT all the Equity Shares resulting from the exercise of the warrants, proposed to be issued and allotted as above, shall rank pari passu in all respects with the existing Equity Shares of the Company including as to dividends.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities such as The Government of India, SEBI, Stock Exchanges or any other authority, while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority by this resolution.

RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued on conversion of warrants with all the stock Exchanges where the existing shares of the Company are listed.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for admission of the new equity shares to be issued on conversion of warrants on preferential basis.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 or Directors or Company Secretary or any other officer(s) or employee(s) of the company or any advisor, as it may consider appropriate in order to give effect to this Resolution."

3. 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 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any of the Companies Act, 2013 and the Companies Act 1956(as amended) to the extent applicable in this regard and subject to such approvals as may be necessary, consent of the company be and is hereby accorded to the Board of Directors of the company for borrowing, from time to time, such sums of money that the Board may deem fit for the purpose of the business of the company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company, and its free reserves, that is to say, the reserves not set apart for any specific purpose, provided that the total amount upto which the monies may be borrowed by the Board of Directors of the company shall not exceed the limit of Rs. 60,00,00,000/- (Rupees Sixty Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient 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 the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the Company, wheresoever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and / or creating a floating charge in all or any immovable properties of the Company together with the powers to takeover the management of the business and concern of the Company, in certain events, to or in favour of banks, financial institutions any other lenders to secure the amount borrowed / to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest payable by the Company in respect of such borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate and settle the terms and conditions with the concerned Banks/ Financial institutions etc., finalize the agreement / contracts and documents for creating the aforesaid mortgages and / or charges and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

By Orders of the Board
Sd/-

Place : Jaipur
Dated : 15.03.2014

(Vishal Agarwal)
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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the meeting.
3. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. All documents referred to in the accompanying notice are open for inspection at the registered office of the company in all working days except Saturday and holidays between 3.00 P.M. to 6.00 P.M. upto the date of Extra-ordinary General Meeting.

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

ITEM NO. 1

The Board of Directors of the company give below disclosures that are required to be given in the explanatory statement to the special resolution to be passed under Section 81, 81(1A) of the Companies Act, 1956 and in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

1. Object and manner of activities of proceed of the Issue to be utilized:

The purpose of the issue of warrants convertible into equity shares is to fund the working capital requirement of the business in future.

2. Relevant date and pricing of the issue:

The issue price of the Warrants convertible into Equity Shares shall be Rs.18/- each. The Price of the Warrants convertible into Equity shares of Rs.10 each together with premium of Rs.8/- (Rupees Eight Only) has been fixed for Rs.18/- (Rupees Eighteen Only) per Warrant based on the Relevant Date March 15, 2014 calculated in the manner specified for pricing of shares to be allotted as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Based on the quotations available at the BSE Limited, the issue price of Rs.18/- per Warrant is higher than the SEBI guidelines.

3. Auditors' Certificate:

A copy of certificate from the Statutory Auditors of the Company certifying that the above issue of the Warrants convertible into Equity shares is being made in accordance with the requirements of the SEBI Guidelines for preferential issue of securities as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the shareholders of the Company at the forthcoming Extra-ordinary General Meeting.

4. Intention of the promoters to subscribe to the offer:

The proposed allottees for preferential issuance of 500,000 Warrants convertible into Equity Shares of Rs.10 at a premium of Rs.8/- per share are the promoters of the Company as referred in the resolution and they have consented to subscribe to 500,000 warrants of Rs.18/- each convertible into 500,000 equity shares of Rs.10/- each at a premium of Rs.8/- per share.

5. Proposed time within which the allotment shall be completed:

The allotment of Warrants convertible into Equity Shares shall be completed within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the company within a period of 15 days from the date of such approvals.

6. Shareholding pattern before and after the offer: The shareholding pattern of the Company before and after the preferential allotment (considering full conversion of warrants into equity shares) would be as follows :

Sl. No.	Category	Pre-Allotment assuming full conversion of warrants issued on October 16, 2013		Post-Allotment considering full conversion of warrants issued to promoters & strategic investors	
		No. of Shares	% of Capital	No. of Shares	% of Capital
A.	Promoters' Holding				
	Indian Promoters	4036377	38.14	4536377	40.57
	Body Corporate	1456815	13.77	1456815	13.03
	Foreign Promoters	0	0.00	0	0.00
	Sub-Total	5493192	51.91	5993192	53.60
B.	Non-Promoters' Holding				
	1. Institutional Investors				
	Mutual Funds/UTI	16514	0.16	16514	0.15
	Financial Institution/Banks	18100	0.17	18100	0.16
	Central Government/State Government(s)	100	0.00	100	0.00
	FII's	9720	0.09	9720	0.09

Sl. No.	Category	Pre-Allotment assuming full conversion of warrants issued on October 16, 2013		Post-Allotment considering full conversion of warrants issued to promoters & strategic investors	
		No. of Shares	% of Capital	No. of Shares	% of Capital
	2. Others				
	Bodies Corporate	955069	9.03	955069	8.54
	General Public	3829237	36.19	3929237	35.14
	Any Other - Clearing Members	24078	0.23	24078	0.22
	Any Other – NRI	25743	0.24	25743	0.23
	Any Other - Trust & Foundation	209488	1.98	209488	1.87
	Sub-Total	5088049	48.09	5188049	46.40
	Grand Total	10581241	100.00	11181241	100.00

7. Identity of proposed allottees and percentage of post issued capital that may be held:

It is proposed to allot 500,000 Warrants convertible into equity shares to the promoters of the Company. The percentage that may be held by allottees in the post-issued capital on issue of Warrants on conversion into equity shares as set out in 6 above. The identity of the allottees and their relations with the promoters are as under :

Sl. No.	Name of the proposed allottees	Relation, if any with the promoter or person in control of the Company	No. of Warrants proposed to be allotted	% of Post issue holding (after conversion into equity shares assuming full conversion of warrants allotted earlier by the Board on 16th October, 2013 and proposed issue of warrants)
1.	Smt. Usha Gupta	Promoter	200,000	7.98
2.	Shri Amit Mahipal Gupta	Promoter	150,000	5.76
3.	Shri Adarsh Mahipal Gupta	Promoter	150,000	5.40
	Total		500,000	19.14

8. Change in the control or composition of the Board :

There will be no change in the control or composition of the Board after the preferential allotment.

9. Approvals:

The Company is taking necessary steps to obtain the required approvals from the Stock Exchange, SEBI or any other regulatory agency as may be applicable, for the proposed preferential issue of Warrants convertible into equity shares.

10. Currency of Warrants:

The currency of warrants to subscribe to equity shares shall not exceed eighteen months from the date of allotment of warrants and they shall automatically get extinguished either on conversion of warrants into equity shares or failure to pay balance consideration for the conversion of warrants into equity shares within 18 months.

11. Voting Rights and Dividend:

The warrants will neither give any voting rights to its holders(s) nor will entitle them to any dividend during its currency.

12. Lock-in Period:

As per SEBI guidelines on preferential issue, the shares and/or warrants so allotted shall be under lock in of three years from the date of trading approval granted by Stock Exchanges having nation wide terminals i.e. BSE & NSE.

The board of directors recommends the passing of this resolution as a special resolution as set out in item no. 1 of the Notice.

Shri Mahipal Gupta, Chairman & Managing Director, Shri Amit Mahipal Gupta and Shri Adarsh Mahipal Gupta, Directors may be deemed to be interested in the resolution to the extent the Warrants convertible into equity shares are proposed to be allotted to the promoters. Except above directors, none of the other directors are concerned or interested in the above said resolution, however they may be deemed to be concerned to the extent of change in the percentage of their voting rights, in the post allotment, equity shareholding in the company.

ITEM NO. 2

The Board of Directors of the company give below disclosures that are required to be given in the explanatory statement to the special resolution to be passed under Section 81, 81(1A) of the Companies Act, 1956 and in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

1. Object and manner of activities of proceed of the Issue to be utilized:

The purpose of the issue of warrants convertible into equity shares is to fund the working capital requirement of the business in future.

2. Relevant date and pricing of the issue:

The issue price of the Warrants convertible into Equity Shares shall be Rs.18/- each. The Price of the Warrants convertible into Equity shares of Rs.10 each together with premium of Rs.8/- (Rupees Eight Only) has been fixed for Rs.18/- (Rupees Eighteen Only) per Warrant based on the Relevant Date March 15, 2014 calculated in the manner specified for pricing of shares to be allotted as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Based on the quotations available at the BSE Limited, the issue price of Rs.18/- per Warrant is higher than the SEBI guidelines.

3. Auditors' Certificate:

A copy of certificate from the Statutory Auditors of the Company certifying that the above issue of the Warrants convertible into Equity shares is being made in accordance with the requirements of the SEBI Guidelines for preferential issue of securities as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the shareholders of the Company at the forthcoming Extra-ordinary General Meeting.

4. Intention of the strategic investor to subscribe to the offer:

The proposed allottee for preferential issuance of 100,000 Warrants convertible into Equity Shares of Rs.10 at a premium of Rs.8/- per share is the strategic investor of the Company as referred in the resolution and he has consented to subscribe to 100,000 warrants of Rs.18/- each convertible into 100,000 equity shares of Rs.10/- each at a premium of Rs.8/- per share.

5. Proposed time within which the allotment shall be completed:

The allotment of Warrants convertible into Equity Shares shall be completed within a period of 15 days from the date of passing of these resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the company within a period of 15 days from the date of such approvals.

6. Shareholding pattern before and after the offer: The shareholding pattern of the Company before and after the preferential allotment (considering full conversion of warrants into equity shares) would be as follows :

Sl. No.	Category	Pre-Allotment assuming full conversion of warrants issued on October 16, 2013		Post-Allotment considering full conversion of warrants issued to promoters & strategic investors	
		No. of Shares	% of Capital	No. of Shares	% of Capital
A.	Promoters' Holding				
	Indian Promoters.	4036377	38.14	4536377	40.57
	Body Corporate	1456815	13.77	1456815	13.03
	Foreign Promoters	0	0.00	0	0.00
	Sub-Total	5493192	51.91	5993192	53.60
B.	Non-Promoters' Holding				
	1. Institutional Investors				
	Mutual Funds/UTI	16514	0.16	16514	0.15
	Financial Institution/Banks	18100	0.17	18100	0.16
	Central Government/State Government(s)	100	0.00	100	0.00
	FII's	9720	0.09	9720	0.09
	2. Others				
	Bodies Corporate	955069	9.03	955069	8.54
	General Public	3829237	36.19	3929237	35.14
	Any Other - Clearing Members	24078	0.23	24078	0.22
	Any Other – NRI	25743	0.24	25743	0.23
	Any Other - Trust & Foundation	209488	1.98	209488	1.87
	Sub-Total	5088049	48.09	5188049	46.40
	Grand Total	10581241	100.00	11181241	100.00

7. Identity of proposed allottees and percentage of post issued capital that may be held:

It is proposed to allot 100,000 Warrants convertible into equity shares to the strategic investor of the Company. The percentage that may be held by allottee in the post-issued capital on issue of Warrants on conversion into equity shares as set out in 6 above. The identity of the allottee is as under :

Sl. No.	Name of the proposed allottees	Relation, if any with the promoter or person in control of the Company	No. of Warrants proposed to be allotted	% of Post issue holding (after conversion into equity shares assuming full conversion of warrants allotted earlier by the Board on 16th October, 2013 and proposed issue of warrants)
1.	Shri Suresh R. Maheshwari	N.A.	100,000	1.34
	Total		100,000	1.34

8. Change in the control or composition of the Board:

There will be no change in the control or composition of the Board after the preferential allotment.

9. Approvals:

The Company is taking necessary steps to obtain the required approvals from the Stock Exchange, SEBI or any other regulatory agency as may be applicable, for the proposed preferential issue of Warrants convertible into equity shares.

10. Currency of Warrants:

The currency of warrants to subscribe to equity shares shall not exceed eighteen months from the date of allotment of warrants and they shall automatically get extinguished either on conversion of warrants into equity shares or failure to pay balance consideration for the conversion of warrants into equity shares within 18 months.

11. Voting Rights and Dividend:

The warrants will neither give any voting rights to its holders(s) nor will entitle them to any dividend during its currency.

12. Lock-in Period:

As per SEBI guidelines on preferential issue, the shares and/or warrants so allotted shall be under lock in of one year from the date of trading approval granted by Stock Exchanges having nation wide terminals i.e. BSE & NSE.

The board of directors recommends the passing of this resolution as a special resolution as set out in item no. 2 of the Notice.

None of the directors of the Company is in any way, concerned or interested in the above said resolution, however they may be deemed to be concerned to the extent of change in the percentage of their voting rights, in the post allotment, equity shareholding in the company.

ITEM NO. 3

Section 180(1)(c) of the Companies Act, 2013 requires that the Directors of the Company to obtain the consent of the shareholders **by way of special resolution** in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the Company will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

In view of the expected increase in the volume of the business in future and taking into the account the requirement of additional funds, your directors feel that they should obtain consent from the Shareholders to borrow more funds. Accordingly, they have thought it desirable to obtain the consent of Shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013 to make the limit of borrowing powers of the Board of Directors upto Rs.60 Crores, as is now proposed under the Special Resolution and to give necessary powers to Board of Directors as required under Section 180(1)(c) of the said Act with reference to such limit. The Directors recommend the approval of the Shareholders thereto. The board of directors recommends the passing of the resolution as set out in item no. 3 of the Notice as a special resolution.

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

ITEM NO. 4

Looking to requirements of the funds for growth of business activities carried by the Company, it may require additional funds. Hence, the Board of Directors of the Company ~~should be authorized to borrow moneys from Banks, Financial Institutions and any other sources.~~ The Company also requires to give securities for due repayment of loan amount and interest thereon to the Banks and Institutions as per their stipulated terms and conditions with right to take possession of the assets in the event of default, if any.

Section 180(1)(a) of the Companies Act, 2013 provides that the Directors of the Company obtain the consent of the shareholders **by way of special resolution** in the General Meeting to enable them to sell, lease, mortgage, dispose off the whole or substantially the whole undertaking of the Company. In this regard, the Company had passed **by way of an ordinary resolution** in 35th Annual General Meeting under Section 293(1)(a) of the Companies Act, 1956 authorising the Board to create mortgage and/or charge on the whole or substantially the whole of the undertaking of the Company.

After applicability of the provisions of Section 180(1)(a) of the Companies Act, 2013, it is required to take authorization of members by way of **Special Resolution** for creating mortgage and/or charge and as such the resolution as set out in item No. 4 is proposed to be passed **by way of special resolution**.

None of the directors is concerned or interested in the resolution

By Orders of the Board

Sd/-

(Vishal Agarwal)

Company Secretary

Place : Jaipur

Dated : 15.03.2014