

NOTICE

Notice is hereby given that the Extra-Ordinary General Meeting of the members of Bhartiya International Ltd. will be held on Monday, the 26th November, 2012 at 10.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003 to transact the following Business:-

SPECIAL BUSINESS**1. Preferential Issue of Warrants having attached thereto the right to subscribe for equal number of Equity Shares**

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 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force (the "Act") and in accordance with the Memorandum and Articles of Association of the Company, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations") and subject to such approvals, consents, permissions or sanctions of the appropriate authorities as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board", which term shall be deemed to include for the purposes of this resolution any "Committee of Directors") to issue 1,00,000 (One Lac only) Warrants to non-promoter entities at a price of Rs. 87/- per Warrant having attached thereto the right to subscribe for equal number of Equity Shares of Rs. 10/- each at a premium of Rs. 77/- per Equity Share, on conversion within a period of 18 months from the date of allotment of the Warrants (in one or more tranches), in cash aggregating to Rs. 87,00,000/- (Rupees Eighty Seven Lacs only) (the price calculated with reference to 26th October, 2012, being the relevant date), on such terms and conditions and in such manner as may be deemed appropriate and beneficial to the Company and decided by the Board to the following persons:

ENTITY: Individuals	No. of warrants to be allotted
1. Vikas Malhotra	40,000
2. Sasi Madathil	20,000
3. Manoj Khattar	20,000
4. Alok Nigam	10,000
5. R J Shama Sunder	10,000

Resolved further that the new equity shares which will be issued on conversion of warrants shall rank pari passu with the then existing equity shares of the Company.

Resolved further that the Certificate issued by the Statutory Auditors of the Company in accordance with the SEBI Regulations and laid before the meeting be and is hereby noted.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to issue / allot Warrants and Equity Shares arising on exercising the right attached to the Warrants and to do all such acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

2. Employees Stock Option Plan 2012 (ESOP 2012)

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 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement with the Stock Exchange(s), the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines"), and other rules and regulations / guidelines prescribed by Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India, or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanction of any authorities as may be required, and subject to such terms, conditions or modifications as may be prescribed or imposed by any of such authorities while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorized to accept, consent of the Company be and is hereby accorded to the Board to introduce and implement Employees Stock Option Plan 2012 (ESOP 2012) and to create, grant, offer, issue and allot, to or for the benefit of the employees of the Company, whether working in India or out of India, hereinafter referred to as the "Eligible Employee(s)", options and /or other instruments giving right to the eligible Employee(s) to purchase or subscribe such number of equity shares /equity linked instruments / securities convertible into equity shares including any depository receipts convertible into equity shares (herein after collectively referred to as (the "Securities") at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide.

Resolved further that the maximum number of securities issued /granted in terms of this Resolution shall not exceed such number as would entitle the holders collectively to subscribe or purchase 4,00,000 (Four lakh only) equity shares of the Company having face value of Rs. 10/- each.



Resolved further that subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respects rank pari passu inter se and also pari passu with the then existing equity shares of the Company.

Resolved further that the Board be and is hereby authorized to formulate, evolve and bring into effect the ESOP 2012 on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modifications(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP 2012 in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation(s), modification(s) or alteration(s) is detrimental to the interests of the eligible employees including but not limited to, amendments with respect to the vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOP 2012, without any form of further reference, confirmation, approvals or sanctions from the members of the Company, to the extent permissible by the SEBI guidelines and other relevant regulations in force."

Resolved further that in case of any corporate action (s) such as rights issue, bonus issues, merger, de-merger, amalgamation, sale of division and any other form of corporate restructuring, the Board be and is hereby authorized to make reasonable adjustments to the number of options granted and the exercise price in accordance with the SEBI Guidelines.

Resolved further that the Board be and is hereby authorized to take necessary steps for listing of the shares issued and allotted under the ESOP 2012 on the Stock Exchange(s), where the Securities of the Company are listed, as per the provisions of the Listing Agreements executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

Resolved further that for the purpose of giving effect to this Resolution the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the securities without the Board being required to seek any further consent or approval of the Members of the Company.

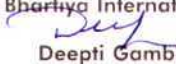
Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or Managing Director of the Company with a power to further delegate the same to any executives/officers of the Company to do all such acts and deeds, matters and things and also execute documents, writings, and other papers as may be necessary in this regard.

Resolved further that the Remuneration and Compensation Committee shall have the powers to re-price the options which are not exercised, whether or not they have been vested, if ESOP were rendered unattractive due to fall in the price of the shares in the market, which shall be applicable to all options granted on a specified grant date and not detrimental to the interests of the Eligible Employees."

3. Employees Stock Option Plan for Employees of the Subsidiary Companies

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

'Resolved that the benefits of the Employees Stock Option Plan (ESOP 2012) contained in Resolution no. 2 above is hereby extended to the eligible employees of the Subsidiary Company(ies) of the Company on such terms and conditions as may be decided by the Remuneration and Compensation Committee."

By order of the Board
For **Bhartiya International Ltd.**

Deepti Gambhir
(Company Secretary)

New Delhi, 27th October, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts is annexed hereto.
3. Members/ Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification for attendance at the Meeting.
4. The Certificate from the Statutory Auditor of the Company certifying that the proposed preferential issue is being made in accordance with the requirements of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be available for inspection by the members on the date of the Extra-Ordinary General Meeting.

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

ITEM NO. 1 Preferential Issue of Warrants having attached thereto the right to subscribe for equal number of Equity Shares

The Company wants to raise long term funds to support Working Capital requirement, Brand promotion and/or general Corporate purposes. Hence, the Board of Directors have decided to issue 1,00,000 (One Lac only) Warrants at a price of Rs. 87/- per Warrant having attached thereto the right to subscribe for equal number of Equity Shares of Rs.10/- each at a premium of Rs. 77/- per Share. The proposed issue of the Warrants as mentioned in the resolution will infuse a sum of Rs. 87,00,000/- (Rupees Eighty Seven Lacs only) in the Company.

The salient features of the Preferential Issue are:

1. The relevant date in relation to the above mentioned Preferential Issue of Warrants for the purpose of determining the issue price as per SEBI Guidelines on Preferential issue is **26th October, 2012**. The issue price has been fixed in accordance with SEBI Guidelines.



2. The right attached to the Warrants to subscribe for equal number of Equity Shares of Rs.10/- each at a premium of Rs.77/- per Equity Share in the Share Capital of the Company shall be exercised within a period of 18 months from the date of allotment of the Warrants.
3. The Warrants, to be issued to proposed allottees shall be locked in for a period of one year from the date of allotment of equity shares subsequent to their conversion in terms of the SEBI Regulations.
4. To the extent permitted as per the existing provisions of law in this regard, the Equity Shares resulting from the Warrants to be allotted on exercising the right attached thereto shall rank pari passu in all respects with the then existing Equity Shares including dividend entitlement.
5. Letter of Intent to subscribe for the Warrants have been obtained from the proposed allottees and are kept open for inspection at the registered office of the Company on all working days during the working hours upto the date of ensuing Extra-ordinary General Meeting.
6. In case of Warrants, atleast 25% of the value of each Warrant shall be payable at the time of allotment thereof and the balance at the time of exercising the right to subscribe for Equity Shares. The entire amount paid by proposed allottee shall be forfeited if the right to acquire the Shares is not exercised fully or in proportion to the part thereof not exercised.

As required by the SEBI Regulations, a certificate from the Statutory Auditors has been obtained, to the effect that the proposed allotment will be made in accordance with the said Regulations and will be placed at the meeting stating that the issue is made according to SEBI Regulations and will be open for inspection at the registered office of the Company on all working days during the working hours upto the date of ensuing Extra-ordinary General Meeting.

The information as required under Chapter VII of the SEBI Regulations for preferential issue is as under:

(a) Objects of the Proposed Preferential Issue:

The funds to be raised from the proposed Preferential issue of Warrants and Equity Shares arising on exercising the right attached to the Warrants pursuant to this resolution will be utilized for Working Capital requirement, Brand promotion and/or general Corporate purposes.

(b) Intention of Promoters/ Directors/ Key Managerial Personnel to subscribe to the proposed Preferential offer:

The allotment is proposed to be made to non-promoter entities including Key Managerial Personnel of the Company and Associate/ Group Companies. Proposed allottees have indicated their intention to subscribe to the proposed preferential allotment of warrants.

The intention and primary objective of the Investors to subscribe to the warrants through this Preferential Issue is to participate in the growth and development of the business of the Company.

(c) Shareholding pattern before and after the proposed Preferential offer

The Shareholding pattern before and after the proposed Preferential offer is as under:-

Category	Pre Issue		Post issue ##	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
A. Promoters Holding				
Promoters and persons acting in consent	5032636	45.49	5032636	45.08
Sub Total (A)	5032636	45.49	5032636	45.08
B. Non Promoters Holding				
Mutual Funds and UTI	3200	0.03	3200	0.03
Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	1600	0.01	1600	0.01
Foreign Financial Institution	27360	0.25	27360	0.25
Bodies Corporate	3641841	32.92	3641841	32.62
NRIs/OCBs	233392	2.11	233392	2.09
Proposed Allottees				
1. Vikas Malhotra	-	-	40000	0.36
2. Sasi Madathil	43564	0.39	63564	0.57
3. Manoj Khattar	50	0.00	20050	0.18
4. Alok Nigam	-	-	10000	0.09
5. R J Shama Sunder	-	-	10000	0.09
Others	2080205	18.80	2080205	18.63
Sub Total (B)	6031212	54.51	6131212	54.92
Total (A+B)	11063848	100.00	11163848	100.00



The above Shareholding pattern may change upon transfer of Shares by existing Shareholders of the Company from time to time.

Post issue Shareholding pattern:

It includes 1,00,000 Equity Shares which will be allotted on exercising the right attached to the Warrants to be issued on preferential basis.

On allotment of the Warrants on preferential basis against which equal number of Equity Shares will be allotted on exercising the right attached thereto, no change in management control is contemplated.

(d) Proposed time frame within which the allotment shall be completed

The allotment of Warrants is proposed to be completed within a period of 15 days from the date of passing of the resolution at the Extra-ordinary General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

As per SEBI Regulations, the Warrant holders shall have the right to subscribe for one Equity Share of Rs.10/- each against each Warrant held by them at a price of Rs.87/- (including a premium of Rs.77/- per Equity Share) in one or more tranches, before the expiry of 18 months from the date of allotment of the Warrants.

(e) Identity of the proposed allottees and the percentage of Post Preferential Issued Capital that may be held by them

ENTITY Individuals	No. of Equity Shares (pre allotment)	No. of Warrants to be allotted	Post preferential holding (on conversion)	Percentage (Post Preferential)
1. Vikas Malhotra	—	40000	40000	0.36
2. Sasi Madathil	43564	20000	63564	0.57
3. Manoj Khattar	50	20000	20050	0.18
4. Alok Nigam	—	10000	10000	0.09
5. RJ Shama Sunder	—	10000	10000	0.09

(f) Undertaking

The issuer undertakes to re-compute the price of the specified securities in terms of the provisions of SEBI Regulations, if it is required to do so.

(g) Lock-in

The Warrant, to be issued to proposed allottees shall be locked in for a period of one year from the date of allotment of equity shares subsequent to their conversion in terms of the SEBI Regulations. Provided however that where the price of the shares are re-computed as required under the provisions of the SEBI Regulations, and if the amount payable by the allottees on account of the re-computation of the price is not paid within the time stipulated by the Company, the Equity Shares issued to such allottees shall continue to be locked-in till the time such amount is paid by the allottees.

The Directors feel that the proposed preferential issue of convertible Warrants will increase the Shareholders' value/ growth in the long term and therefore, your Directors recommend the Special Resolution at Item No. 1. as set out in the notice for the approval of members.

None of the Directors of the Company are concerned or interested in passing of this resolution.

ITEM NO. 2 & 3 Employee Stock Option Plan-2012 for the Employees of the Company and its Subsidiary Companies

Human Resources play a vital role in the growth and success of an organization. It is necessary for a company to adopt effective measures to attract and retain talent and remain competitive in the challenging global market. In addition to being a useful instrument to attract and retain talent, stock options are also recognized as effective instruments to encourage and reward the performance of its Employees who are the drivers of Company's growth and to retain them for ensuring stable growth by providing opportunities to such executives to own equity shares of the Company. The ESOP 2012 is intended to reward eligible employees for their performance, commitment and support for the growth of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the ESOP 2012 will enable Company to attract and retain the best available talent by making them partners in business and its growth. The Board has identified the need to reward the Employees of the Company and its subsidiary(ies) so as to enable them to participate in the future growth and financial success of the Company and has proposed to offer the eligible Employees an option to acquire the equity shares of the Company under Employee Stock Option Scheme.

In view of the above, the Board has proposed to formulate Employees Stock Option Plan 2012 (ESOP 2012) in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 under which the maximum number of equity shares of the Company that

could be created, offered, issued and allotted under ESOP 2012 should not exceed 4,00,000 (Four Lakh) equity shares / securities linked to equity shares convertible into equivalent number of equity shares of Rs. 10/- each of the Company, as on the date(s) of the grant of option(s) under ESOP 2012. The Board has accordingly decided to seek the approval of the Members for the same.

The salient features of the Scheme are detailed below:

(a) Total number of options to be granted

Total number of options / shares that could be issued under ESOP 2012:

4,00,000 (Four lakh) options (convertible into equivalent number of equity shares of Rs. 10/- each), from time to time to Eligible Employees [being employee of the Company and its subsidiary companies, if any].

The options which lapse / expire or are forfeited will be available for re-granting to Eligible Employee(s).

(b) Identification of Classes of Employees entitled to participate in ESOP

Eligibility for grant of options:

Permanent employees of the Company or its subsidiary companies as may be identified by the "Remuneration and Compensation Committee" based on the individual performances of the employees.

Employees not eligible for grant of options:

An employee who is a promoter or belongs to the promoter group or a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option shall not be eligible to participate in ESOP 2012.

(c) Requirement of Vesting and Period of Vesting

Vesting, requirements of vesting and maximum period of vesting:

The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. The minimum vesting period shall be 1 (one) year from the date of grant and may extend upto 4 (four) years as may be determined by the Board/ Remuneration and Compensation Committee.

Special provisions would apply in case of death, permanent incapacitation, misconduct, superannuation or resignation of employee.

(d) Maximum period within which the options shall be vested

The maximum period within which the options shall be vested would be 4 years from the date of grant.

(e) Exercise Price or Pricing Formula

Exercise price: The options would be issued at an exercise price of Rs. 60/- per option.

(f) Exercise Period and Process of Exercise

Exercise period and process of exercise: The exercise period shall commence from the date of vesting and will expire at the end of 5(five) years from the vesting date.

The options would be exercisable by submitting the requisite application form / exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board / Committee. The Board / Committee may grant an extension upon a specific request made by the employee concerned to this effect. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Remuneration and Compensation Committee on or before the expiry of the exercise period.

(g) Appraisal Process for determining the eligibility of employees for the Scheme

Appraisal process: The Board / Committee shall determine the criteria for the eligible employees under ESOP 2012 based on evaluation of eligible employees on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and such other factors as may be deemed appropriate by it. The Board / Committee may constitute and avail the services of the ESOP selection committee, as may be appointed in this regard.



(h) Maximum number of Options to be issued per employee and in aggregate

The maximum number of options granted to any one employee in a year will not exceed 1% of the issued Equity Share capital of the Company at the time of granting of an option. The aggregate of all such grants, as reduced by options lapsed, cancelled, forfeited or surrendered, shall not exceed 4,00,000 (Four lakh) options convertible into equivalent number of equity shares of Rs. 10/- each.

(i) Confirmation with the Accounting Policies

The Company shall conform to the Accounting Policies specified in clause 13.1 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 .

(j) The method the Company shall use to value the options

The company shall follow the intrinsic value method to value the options.

(k) The difference between the employee compensation cost computed based on intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Director's Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Director's Report.

The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where the Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf.

As per clause 6(1) of the Guidelines, any Employees Stock Option Scheme must be approved by way of a special resolution. Further as the Scheme will entail further shares to be offered to persons other than existing members of the Company, consent of the Members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 81 (1A) of the Companies Act, 1956.

Clause 6(3) of the Guidelines requires that a separate resolution is required to be passed if the benefits of the Scheme are to be extended to eligible employees of the subsidiary companies. Accordingly the resolution set out at item no. 3 is being placed for approval of the members.

The options to be granted / shares to be issued under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of their shareholding in the Company .

New Delhi, 27th October, 2012

By order of the Board
For Bhartiya International Ltd.

Deepti Gambhir
(Company Secretary)

