

EGM NOTICE

Cronimet Alloys India Limited



Registered Office

Vishnu Splendor, D.No. 8-3-
979/123456, Survey No. 41,42,
Flat No. 302, B-Block,
Yellareddyguda,
Hyderabad - 500 073

CRONIMET ALLOYS INDIA LIMITED

Registered Office: Vishnu Splendor, D.No. 8-3-979/123456, Survey No. 41,42,
Flat No. 302, B-Block, Yellareddyguda, Hyderabad - 500 073

EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS

Time : 11.00 A.M.

Day : Thursday

Date : 25th November, 2010

Venue : Rannaisance Renaissance Sarvoar Portico, No.422, SIPCOT, Phase II, Bangalore
Main Road, Hosur - 635 109.

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NOTICE

NOTICE is hereby given that an Extra Ordinary General Meeting of the Members of Messrs Cronimet Alloys India Limited will be held on Thursday 25th November 2010 at 11.00 A.M, at Renaissance Sarvoar Portico, No.422, SIPCOT, Phase II, Bangalore Main Road, Hosur - 635 109 to transact the following business:

SPECIAL BUSINESS

ITEM NO. 1

Allotment of Warrants Convertible into Equity Shares on Preferential Basis, with or without modification (s) as a Special Resolution:

"RESOLVED THAT pursuant to section 81(1A) and other applicable provisions of the Companies Act, 1956, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable relevant guidelines of the Securities & Exchange Board of India, Listing Agreements entered into with the Stock Exchanges and the Memorandum & Articles of Association of the Company and any other applicable laws / rules / regulation and subject to the consent / approval of any other authorities / institutions, consent of the Company be and is hereby accorded to create, offer, issue and allot up to 55,00,000 (Fifty Five Lakhs) convertible Warrants (hereinafter referred to as the "Warrants") on a preferential basis to the Promoters / their associate companies, etc., and other investors (whether residents and / or non residents and / or statutory investors and / or Institutions and / or Banks and / or incorporated bodies and / or Individuals and / or Trustees or otherwise and whether or not such investors are members of the Company) with each warrant convertible into one equity share of the Company of nominal value of Rs. 10/- each per share so that the total number of equity shares to be issued by the Company upon the conversion of the Warrants does not exceed 55,00,000 (Fifty Five Lakhs) Equity shares, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment".

"RESOLVED FURTHER THAT the "Relevant Date" in relation to the issue of warrants in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 25th October 2010 being the date 30 days prior to the date of passing of this resolution.

RESOLVED FURTHER THAT the issue of Warrants, if any, as above shall be subject to the following terms and conditions:

- a. The Warrants shall be convertible (at the sole option of the warrant holders) at any time within a period of 18 months from the date of allotment of Warrants;
- b. Each Warrant shall be convertible into one equity Share of nominal value of Rs.10/- each of the Company;
- c. The Warrant holder(s) shall on the date of allotment of Warrants, pay an amount equivalent to 25% of the total consideration per Warrant viz., Rs. 25/- only per warrant;
- d. The Warrant holder (s) shall, before the date of conversion of the Warrants into Equity Shares, pay the balance 75% viz., Rs. 75/- Per Warrant / share, of the consideration towards the subscription to each Equity Share;
- e. The amount referred to in (c) above shall be forfeited, if the option to acquire shares within stipulated period is not exercised;
- f. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.

- g. The equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis to Promoters or Promoter Group shall be locked in for a period of 3 years from the date of their allotment and for a period of 1 year in respect of other investors and regulation 78 of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 accordingly applicable.

"RESOLVED FURTHER THAT the Company shall ensure that whilst any Warrants remain exercisable, it will at all times keep available and reserved such part of its authorized but unissued share capital as would enable all outstanding Warrants to be satisfied in full".

"RESOLVED FURTHER THAT the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the Warrants, to finalize the list of allottee (s), including the size and relative components of the same, and for the purpose of giving effect to this issue or allotment of Warrants or Shares, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the equity shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of Warrants / Equity Shares and in complying with any Regulations, as may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of the Warrants and that the said Equity Shares shall be subject to the Memorandum and Article of Association of the Company and shall rank in all respects pari passu with the existing equity shares of the Company."

"AND 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 Officer(s) of the Company to give effect to this resolution and for the purpose of allotment of Shares."

ITEM NO. 2

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309 and read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr Prashant Boorugu as Managing Director of the Company for a period of 5 years with effect from October 25, 2010 on the terms and conditions annexed to the Notice with liberty to the Board of Directors [hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution] to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

**BY ORDER OF THE BOARD
MANAGING DIRECTOR**

Place:

Date: 25th October 2010

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. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Sundays between 11.00 A.M. to 1.00 P.M.
3. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
4. As per provisions of the Companies Act, 1956, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Ministry of Company affairs.
5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 disclosures as per section 173 of the Companies Act, 1956 are as under :

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

Item No.1

Your company is proposing to offer and issue not exceeding 55,00,000 (Fifty Five Lakhs) convertible Warrants convertible into one equity shares of the company for each warrant issued in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 in this regard to specified persons.

As per regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under:

a. Objects of the issue:

The Company as part of its future growth strategy aims to enlarge as focused and strong Company. The company plans to enlarge its business and plan to acquire overseas rights, mines, mining rights and expand its business horizon beyond the domestic boundaries.

The Company to meet its trading activities of minerals both finished, raw materials, semi finished including Coal, Chromium, Chromium Alloys, Iron, Graphite, Marble, Granite, Diamond, Gold, Silver, precious stones etc. needs huge working capital, Bank Guarantee, Performance Guarantee and margin money requirements during the routine course of business activities.

To pursue the above expansion plans and in order to meet growing demand for export as well as general corporate and working capital requirements, it is thought prudent for the Company to raise capital by way of private placement of warrants convertible into equity shares.

b. Pricing :

The issue price of Rs.100/- Per warrant is in accordance with regulation 76 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and for the purpose of the above guidelines the Relevant Date is 25th October 2010.

The price of the convertible warrants wherever required shall be re-computed/adjusted in accordance with the above said regulation.

c. Intention of the Promoters / Directors / Key Management persons to subscribe the offer:

c.1. The following proposed allottees are part of promoters group have indicated their intention Subscribe to the warrants :

Name	No. of Warrants Interested to subscribe
1. Mr Prashant Boorugu	6,00,000
2. Mrs Sarita Boorugu	6,00,000
3. M/s. Mynah Industries Limited	5,80,000

c.2. The following proposed allottees is Relative of Director has/have indicated her intention Subscribe to the warrants :

Name	No. of Warrants to subscribe	Category - PAC/Director/ Relatives of Director
1) G Sarastwathi	6,00,000	Public - Relative of Director

d. Identity of the proposed allottee (s) and percentage of preferential issue capital that may be held by them :

The shareholding pattern of the Company before and after the issue is as under:

Sr. No.	PARTICULARS (NAME, ADDRESS WITH PAN)	SHAREHOLDING (PRE - ISSUE)		PROPOSED SHAREHOLDING (POST ISSUE)	
		No. of Shares	% of Share Capital	No. of Shares proposed to be allotted	% of Share Capital
I)	PROMOTER				
1.	Mr Prashant Boorugu B-04, Oakyard Apartments 38 th Cross, East End "C" Main 9 th Block, Jayanagar, Bangalore - 560069. AAQPB7558E	NIL	NIL	6,00,000	3.37
2.	Mrs Sarita Boorugu B-04, Oakyard Apartments 38 th Cross, East End "C" Main 9 th Block, Jayanagar, Bangalore - 560069. AIYPS2255B	NIL	NIL	6,00,000	3.37
3.	M/s. Mynah Industries Limited S.No.66/2, Mugalapalli Village - 635 105, Hosur Taluk, Krishnagiri District, Tamil Nadu. AABCR5484M	414	0.00	5,80,414	3.26
	NON-PROMOTERS:				
	DIRECTOR'S RELATIVE				
4.	G Sarastwathi G-0-4, Oakyard Apartments 38 th Cross, East End "C" Main 9 th Block, Jayanagar, Bangalore - 560069. AIYPS2198B	NIL	NIL	6,00,000	3.37

Sr. No.	PARTICULARS (NAME, ADDRESS WITH PAN)	SHAREHOLDING (PRE - ISSUE)		PROPOSED SHAREHOLDING (POST ISSUE)	
		No. of Shares	% of Share Capital	No. of Shares proposed to be allotted	% of Share Capital
	OTHERS:				
5	Kummithe Sravanthi 427, 3 "B" Main 3rd Block, HRBR Lay-out, Kalyan Nagar, Bangalore - 560043 AXEPK1330N	NIL	NIL	20,000	0.11
6	K J Purushotham No. 327, 8th Block, I "A" Main, Koramangala Lay-out, Bangalore -560034 ANGPP0965J	NIL	NIL	2,00,000	1.12
7	K J Chandrashekhar No.12, 6th Block, Grape Garden, Koramangala Lay-out, Bangalore - 560095 AGEPC1689H	NIL	NIL	2,00,000	1.12
8	S R Nagaraj No. 47/54, 7th Cross Mico Lay-out, BTM II Stage, Bangalore -560076 AEGPN1281A	NIL	NIL	2,00,000	1.12
9	Ashish Nanda 44, Civil lines, Roorkee, Uttaranchal (India). ABWPN6778P	NIL	NIL	21,00,000	11.81
10	Chandraprakash Banarsilal Paharia 402, Valeram Building, No.2, Near Ushma Nagar, Evershine Nagar Link Road, Malad (west), Mumbai-400006 AACPP4576G	NIL	NIL	75,000	0.42
11	Poorvi Yogendra Ruparel 24, Sneh Samta Co Hsg Society, K A Subramaniam Road, Near SIES School, Matunga, Mumbai - 400019 AKNPR5137J	NIL	NIL	75,000	0.42
12	Tushar Gandhi Flat No 20, Anihant Building, 90 Feet Road, Opp Raymond Showroom, Ghatkopar (East), Mumbai-400077 AFYPG4874P	NIL	NIL	25,000	0.14
13	Ashish Jalan 47, Dr. M.B. Velkar Street, Kalbadevi, Mumbai-400002 AAGPJ5395K	NIL	NIL	50,000	0.28
14	Neelam Agarwal B-1102, Shagun Tower, Gen A.K.Vaidya Marg, Film City Road, Malad (East), Mumbai-400097. AABPA8846K	NIL	NIL	25,000	0.14

Sr. No.	PARTICULARS (NAME, ADDRESS WITH PAN)	SHAREHOLDING (PRE - ISSUE)		PROPOSED SHAREHOLDING (POST ISSUE)	
		No. of Shares	% of Share Capital	No. of Shares proposed to be allotted	% of Share Capital
15.	Paras Kesharmai Bathia HUF 502/C, Palm House, 16, Mogul Lane, Matunga, Mumbai-400016 AAAHB8019C	NIL	NIL	75,000	0.42
16	Zarna Tushar Sarada 11, Gitanjali Building, 73, Vallabh Bhai Patel Rd, Santacruz (West), Mumbai - 400054 AAYPS9875R	NIL	NIL	25,000	0.14
17.	Rahul Bohra 503, Suyodhan Building, Vishal Nagar, Mith Chowkey, Marve Road, Malad (West), Mumbai-400064 ADWPB4147L	NIL	NIL	50,000	0.28
	TOTAL EQUITY SHARES	12,285,295	100	17,785,709	100

e. Shareholding pattern before and after the (On conversation of Warrants into Equity share)

Sr. No.	Category	Pre-issue equity shareholding		Post-issue equity shareholding	
		No.	%	No.	%
A.	1 Promoters (Including Bodies Corporate)	86,58,855	70.48	92,38,855	51.95
	2 Promoters (Under Preferential Issue/Individual)	-	-	12,00,000	6.75
	Total (A)	8,658,855	70.48	1,04,38,855	58.70
B.	Mutual Funds	532	-	532	-
	FII/BANKS	2,37,617	1.93	2,37,617	1.33
	Foreign Institutional Investors	20,000	0.16	20,000	0.11
	Total (B)	258,149	2.10	258,149	1.44
C.	Public				
	(a) Body Corporate	818,295	6.66	8,18,295	4.60
	(b) Individuals				
	Individual Shareholders holding nominal share capital upto 1 lakh	1,741,869	14.18	17,41,869	9.79
	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	572,681	4.66	42,17,681	23.71
	(c) N.R.I	65620	0.53	65,620	0.37
	(d) Overseas Corporate Body	152	-	152	-
	(e) HUF	55022	0.45	1,30,022	0.74
	(f) Clearing Members	114,652	0.93	1,14,652	0.65
	Total (C)	3,368,291	27.42	70,88,139	39.86
	Grand Total (A+B+C)	12,285,295	100%	1,77,85,295	100%

f. Auditor's certificate:

A certificate as required under SEBI Guidelines, certifying that the proposed issues is in accordance with the said Guidelines has been obtained from the Auditors of the company and shall be placed before the shareholders.

g. Changes in Management :

The issue of the Warrants / Equity shares will not result in any change in the Management or control of the Company.

h. Proposed time within which allotment shall be completed :

Within 15 days from the date of passing this resolution.

i. Lock in:

The Warrants / Equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations.

If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked - in till the time such amount is paid by the allottees.

The approval of the Shareholders is sought pursuant to Section 81 (1A) of the Companies Act, 1956 and in term of the listing agreement with Stock Exchanges to the issue of the above Warrants as set out in the resolution.

The Board of Directors recommends the resolution for your approval.

The Directors of your Company may be deemed to be concerned or interested to the extent of the Warrants / shares that they are or their relatives or by the companies in which they or their relatives are entitled to subscribers in this issues.

Item No.2 : Appointment of Mr Prashant Boorugu as Managing Director:

The Company is in growth phase in this extremely competitive environment and it will take some time before the Company starts making substantial profits. The duties and engagement of the Directors have been increased and are more accountable now.

However, the zest to scale the top has enabled them to face new challenges with even more determination. Hence it was recommended by the Board of Directors upon receiving the recommendations from the Remuneration Committee, having at their meeting 25.10.2010 passed resolutions for the appointment of Prashant Boorugu as the Managing Director. The terms and condition of his appointment will be such as decided by Remuneration Committee.

This may be treated as an abstract of terms of appointment of Mr Prashant Boorugu in terms of Section 302 of the Companies Act, 1956.

**BY ORDER OF THE BOARD
MANAGING DIRECTOR**

Place:

Date: 25th October 2010

M/S. CRONIMET ALLOYS INDIA LIMITED

Regd. Office: Vishnu Splendor, D.No. 8-3-979/123456, Survey No. 41,42, Flat No. 302, B-Block, Yellareddyguda, Hyderabad - 500 073

ATTENDANCE SLIP

GENERAL MEETING OF THE MEMBERS ON THURSDAY 25TH NOVEMBER 2010 AT 11.00 A.M. at Renaissance Renaissance Sarvoar Portico, No.422, SIPCOT, Phase II, Bangalore Main Road, Hosur - 635 109.

R.F.No. _____ Mr./Mrs./Miss. _____
(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the General meeting of the company at Thursday 25th November, 2010 at 11.00 A.M. at Renaissance Sarvoar Portico, No.422, SIPCOT, Phase II, Bangalore Main Road, Hosur - 635 109

SIGNATURE OF THE SHAREHOLDER/PROXY

Notes:

1. Shareholders/proxy holders are requested to bring the attendance slips with them when they come to the meeting and hand them over at the entrance after putting their signature on them.
2. Shareholders are requested to bring their copy of this Notice along with them to the General Meeting, as copies to the Report will NOT be distributed again at the Meeting, in view of the increasing cost of printing.

PROXY FORM

R.F. No. _____

No. of Shares _____

I/We _____ of _____

being a member of M/S. CRONIMET ALLOYS INDIA LIMITED holding _____ ordinary share(s) hereby appoint _____ of _____

or failing him or her _____ of _____ as my/

our proxy to vote for me/us on my/our behalf at the General meeting of the Company to be held on Thursday 25th November 2010 at 11.00 A.M. at Renaissance Sarvoar Portico, No.422, SIPCOT, Phase II, Bangalore Main Road, Hosur - 635 109 and at any adjourned meeting thereof.

As witnessed my/our hand(s) this _____ day of _____

Signature _____

Re.1
Revenue
Stamp

Note:

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the meeting commencement time.