



McDOWELL HOLDINGS LIMITED

Registered Office:

Canberra, Level 9, UB City, #24, Vittal Mallya Road, Bangalore - 560 001.

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING of the Members of the Company will be held at Good Shepherd Auditorium, Opp. St. Joseph's Pre-University College, Residency Road, Bangalore - 560 025, on Friday, March 25, 2011, at 12.30 p.m. for the following purpose:

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

"RESOLVED, that subject to provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force (the **"Companies Act"**), the regulations/guidelines, if any, issued/prescribed by the Government of India, the Securities and Exchange Board of India (**"SEBI"**), [including the provisions of Chapter VII and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **"SEBI Regulations"**)] and the Reserve Bank of India, and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the respective stock exchanges, where the equity shares of the Company are listed, and all other concerned and relevant authorities from time to time, to the extent applicable and subject to such approvals of relevant statutory/governmental authorities as may be required and further subject to such terms and conditions or modifications thereto as may be prescribed by any of the above while granting such approvals, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (**"Board"** which term shall be deemed to mean and include one or more committees constituted/to be constituted by the Board to exercise its powers), to issue and allot upto 18,00,000 (Eighteen lakhs) 10% Optionally Convertible Debentures of the face value of Rs.100/- (Rupees one hundred only) each (**"OCDs"**) in one or more tranches to Kingfisher Finvest India Limited, in consideration of the extinguishment of the amount due to Kingfisher Finvest India Limited, on account of the principal debt amount and accrued interest thereon till the date of allotment of OCDs not exceeding Rs. 18,00,00,000/- (Rupees Eighteen Crores only), from the Company, which OCDs shall each:

- (i) be optionally converted into equity shares of the Company of the face value of Rs. 10/- (Rupees Ten only) each, in one or more tranches, at the option of the holder and at such time which shall be not later than 18 months from the date of allotment of the OCDs, at a conversion price determined with reference to relevant date which shall be a date thirty days prior to the date on which the holder of OCDs becomes entitled to apply for the equity shares in accordance with the SEBI Regulations,
- (ii) carry coupon at the rate of 10% per annum."

"Further RESOLVED, that the equity shares to be issued and allotted upon conversion of the OCDs as aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company."

"Further RESOLVED, that the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the OCDs and the issue of the equity shares to be issued and allotted upon conversion of the OCDs as contemplated above, and for the purpose of giving effect to this issue and allotment of equity shares, to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or appropriate for such purpose, including without limitation, to seek listing of the equity shares on the Bangalore Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited, with power on behalf of the Company to settle any question, difficulty or doubt that may arise in regard to such issue or allotment of such shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"Further RESOLVED, that the Board be and is hereby authorized to delegate all or any of its powers to a Committee of Directors or Executives (as it may consider appropriate) to give effect to the aforesaid resolutions including to execute any documents on behalf of the Company before any governmental authority(ies) / Depositories / Stock Exchanges or any other regulatory body and to appoint any professional advisers / consultants / lawyers in that regard."

By Order of the Board

Place : Bangalore

Ritesh Shah

Date : February 22, 2011

Company Secretary

Notes:

- 1) Please refer to the Explanatory Statement given hereunder.
- 2) **A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for the holding of the Meeting.

- 3) Members are requested to intimate immediately to the Company's Registrars and Transfer Agents, M/s. Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 (Telephone No. 080-23460815-818 Fax No. 080 2346 0819), any change in their registered addresses along with Pin Code Number.
- 4) Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address as stated in Note No. 3 above.

- 5) Members may please address all their documents/correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note no. 3 above.
- 6) Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in Note no. 3 above.
- 7) The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the Company.
- 9) The Company has designated an exclusive e-mail id viz, mhlinvestor@ubmail.com to enable the investors to post their grievances and monitor redressal.
- 10) Members attending the Meeting are requested to bring with them the following:
 - a. Copy of the Notice, as no copies thereof would be distributed at the Meeting;
 - b. The Attendance Slip duly signed and clearly indicating their DP ID & Client ID, in case of shares held in dematerialized mode and Folio Number, in case of shares held in physical mode, to facilitate identification of membership at the Meeting.
- 11) The Company would accept only the Attendance Slip from a member actually attending the Meeting, or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting.
- 12) Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/person.
- 13) The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/children.
- 14) Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

By Order of the Board

Place : Bangalore
Date : February 22, 2011

Ritesh Shah
Company Secretary

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

The Company proposes to issue 10% Optionally Convertible Debentures of Rs. 100/- (Rupees one hundred only) each ("**OCDs**") to Kingfisher Finvest India Limited ("**KFIL**"), one of the promoters of the Company, which OCDs shall be optionally converted into equity shares of the Company of the face value of Rs. 10/- (Rupees Ten only) each, in one or more tranches, at the option of the holder and at such time which shall be not later than 18 months from the date of allotment of the OCDs, at a conversion price determined with reference to relevant date which shall be a date thirty days prior to the date on which the holder of OCDs become entitled to apply for the equity shares, which in the present case shall be the date on which the holder takes the decision to convert such OCDs into equity shares.

Such OCDs shall be issued to KFIL in consideration of the extinguishment of the amount due to KFIL, on account of the principal debt amount and accrued interest thereon till the date of allotment of OCDs not exceeding Rs. 18,00,00,000/- (Rupees Eighteen Crores only), from the Company.

The holder of such OCDs may exercise the option to convert the OCDs at any point in time on or before 18 months from their date of issue. In the event the option to convert the OCDs is not exercised by the holder within 18 months from their date of issue, such OCDs shall become immediately redeemable by the Company.

The information as required under Regulation 73 of the SEBI Regulations for preferential issues is as under:

- a) **Object of the issue:** To enable the Company to reduce its debt burden in the future in the event the holder exercises the option to convert Optionally Convertible Debentures into equity shares.
- b) **Proposal of Promoters / Directors / Management personnel to subscribe to the offer:** Kingfisher Finvest India Limited is one of the promoters of the Company and proposes to subscribe to the offer of upto 18,00,000 (Eighteen Lakhs) 10% Optionally Convertible Debentures of the face value of Rs. 100/- (Rupees one hundred only), each ("**OCDs**"), of the Company.
- c) **Shareholding before and after the issue of OCDs involved in the present Resolution:** As the conversion price for the OCDs is not yet ascertained and will be ascertained only if and when the holder of the OCDs exercises the option to apply for the equity shares of the Company, it would presently not be possible to calculate the post-issue shareholding pattern of the Company upon conversion of OCDs till the price of conversion is fixed. Accordingly, only the pre-issue shareholding pattern of the Company, as on February 18, 2011, has been provided as **Annexure A** to this Notice. The Company will ensure compliance with all applicable laws and regulations, including the SEBI Regulations, at the time of allotment of equity shares of the Company.
- d) The Company will complete the issue and allotment of OCDs within a period of 15 days from the date of passing of the resolution by the Members. Where the allotment on preferential basis requires approval(s) of any regulatory authority including the

Stock Exchanges, Central Government and other regulatory authorities, the allotment of shares will be completed within 15 days from the date of such approval(s).

- e) **Identity of allottee with percentage of expanded capital to be held by the allottee:** The details of the proposed allottee is as per the following table. No change in control is contemplated consequent to the proposed preferential issue of OCDs. There will not be any change in the management control of the Company on account of this proposed preferential allotment upon conversion of the OCDs except a corresponding change in the shareholding pattern as well as voting rights.

Sl. No.	Name of the Proposed Allottee	Present Equity Holding	% of Present Holding
1.	Kingfisher Finvest India Limited	8,730	0.07

For reasons mentioned in (c) above, it would not be possible to presently calculate the percentage of shareholding in the post issued share capital of the Company upon conversion of OCDs.

- f) **Lock in Requirements:** The securities to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI regulations in this regard.
- g) **Auditors' Certificate:** M/s. Vishnu Ram & Co., Statutory Auditors of the Company, have certified that the preferential issue of OCDs is being made in accordance with the requirements contained in SEBI (ICDR) Regulations, 2009. A copy of the Certificate is available for inspection at the Registered Office of the Company during business hours on Mondays to Fridays upto and including the date of the Meeting.
- h) **Relevant Date and Price:** The Relevant Date shall be 30 days prior to the date on which the holder of the OCDs become entitled to apply for equity shares of the Company, which in the present case shall be the date on which the holder takes the decision to convert such OCDs into equity shares. Accordingly, the price for the issuance of the equity shares shall be decided based on the said Relevant Date and cannot be ascertained at present.
- i) **Undertaking to re-compute the price:** The same is not applicable in the present case.
- j) **Undertaking to put under lock-in till the re-computed price is paid:** The same is not applicable in the present case.

Consent of the Members is sought for the issue of these OCDs, in terms of Section 81 of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the SEBI Regulations and the listing agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

Your Directors recommend the Special Resolution for approval by the Members.

None of the Directors of the Company is concerned or interested in the said Resolution except Mr. A Harish Bhat.

By Order of the Board

Place : Bangalore
Date : February 22, 2011

Ritesh Shah
Company Secretary

Annexure 'A'

Shareholding Pattern of the Company as on February 18, 2011

Category Code	Category of Shareholder	Total Number of Shares	Percentage (approx.)
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/ Hindu Undivided Family	2	0
(b)	Central Government / State Government(s)	0	0
(c)	Bodies Corporate	44,51,622	36.66
(d)	Financial Institutions / Banks	0	0
(e)	Any Others (Specify)	0	0
	Sub-Total (A)(1)	44,51,624	36.66
(2)	Foreign		
(a)	Individuals (NRIs/ Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Any Others (Specify)	0	0
	Sub-Total (A)(2)	44,51,624	36.66
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	44,51,624	36.66
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds / UTI	10,19,968	8.4
(b)	Financial Institutions / Banks	3553	0.03
(c)	Central Government / State Government(s)	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	27,45,704	22.61
(g)	Foreign Venture Capital Investors	0	0
(h)	Any Others (Specify)	0	0
	Sub-Total (B)(1)	37,69,225	31.04
(2)	Non-institutions		
(a)	Bodies Corporate	4,24,028	3.49
(b)	Individuals - (i) Individual shareholders holding nominal share capital up to Rs.1 lakh.	30,37,433	25.00
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1,16,627	0.96
(c)	Any Other (specify)		
	- Clearing Members	82,493	0.68
	- Trusts	12,850	0.11
	- Non-resident Indians	2,50,001	2.06
	- Foreign Nationals	0	0
	Sub-Total (B) (2)	39,23,432	32.31
	Total Public Shareholding (B)=(B)(1)+(B)(2)	76,92,657	63.34
	TOTAL (A)+(B)	1,21,44,281	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	1,21,44,281	100.00