



**SOLAR
INDUSTRIES
INDIA
LIMITED**

REGD.OFFICE : 11, ZADE LAYOUT,
BHARAT NAGAR,
NAGPUR - 440 033, (M.S.) INDIA.
PHONES : +91-712-2561000, 2560010
FAX : +91-712-2560202
e-mail : solar@solarexplosives.com

NOTICE FOR EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the members of Solar Industries India Limited will be held on Monday, 27th August, 2012 at 12.30 pm at the registered office of the Company i.e. 11, Zade Layout, Bharat Nagar, Nagpur, Maharashtra – 440 033 to transact the following special business:

APPROVAL FOR PREFERENTIAL ISSUE OF EQUITY SHARES

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

RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (*Act*) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the equity listing agreements entered into with the stock exchanges in India (BSE Limited and National Stock Exchange of India Limited) where the equity shares of the Company are listed (the *Stock Exchanges*), and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India or any other relevant authority from time to time and subject to all applicable laws and subject to any necessary approvals, consents, permissions and/or sanctions of the Central Government, Reserve Bank of India and/or any other appropriate authorities, including banks, financial institutions or other lenders/creditors as may be necessary, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the *Board* which expression shall be deemed to include any Committee or authorized representative/s thereof), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, on a preferential basis to Oman India Joint Investment Fund, a Private Equity Fund set up jointly by State Bank of India and State General Reserve Fund of Oman with its office at Unit No. 1101, Tower 2A, One Indiabulls Centre, S. B. Road, Elphinstone (West), Mumbai, 7,74,195 equity shares having face value of Rs. 10/- each, towards subscription amount aggregating INR 72,00,01,350, (hereinafter collectively referred to as the *Equity Shares*), representing approximately 4.28% of the total subscribed, issued and paid-up share capital of the Company, at a proposed price of Rs. 930/- per Equity Share, which price shall be subject to and in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any modifications or re-enactment thereof, for the time being in force) (*SEBI Regulations*).

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of 15 (fifteen) days from the date of passing of this Special Resolution, provided that where any application for any approval or permission by any statutory or regulatory authority is pending, the period of fifteen days shall be counted from the date of such approval or permission, as the case may be or such other extended period as may be permitted under applicable SEBI Regulations, as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted, in accordance with its term thereof, shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* with the existing Equity Shares of the Company in all respects.





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RESOLVED FURTHER THAT the said Equity Shares, shall be listed on the Stock Exchanges on which the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Equity Shares to be allotted to Oman India Joint Investment Fund shall be freely transferable from the date of allotment, subject to lock-in requirement as prescribed by the SEBI Regulations.

RESOLVED FURTHER THAT the "Relevant Date", in accordance with the SEBI Regulations, for the purpose of determining the minimum applicable price for the Equity Shares shall be, thirty days prior to the date on which the meeting of the shareholders is held to consider the proposed issue in terms of Section 81(1A) of the Act, which in the present case is 27th July, 2012.

RESOLVED FURTHER THAT the subscription amount aggregating INR 72,00,01,350 shall be utilised for:
(i) funding the capital expenditure plans of the Company for investing in defence and explosives business in India, and (ii) partly to cater to the additional working capital requirements of Company with respect to capital expenditure plan as aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the form, terms and timing of the issue and related or incidental matters and to authorise any director(s) of the Company or any other officer(s) of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents or any other confirmation and/or authorities as may, in the opinion of such authorised person, be required from time to time.

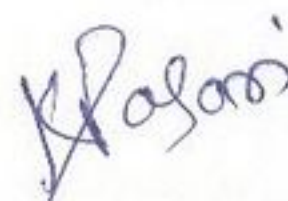
RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of Equity Shares.

Registered office:
11, Zade Layout, Bharat Nagar,
Nagpur - 440 033

Place: Nagpur
Date: July 30, 2012



By Order of the Board of Directors


(Khushboo A. Pasari)
Company Secretary



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NOTES:

1. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
3. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the Notice. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.
4. All documents referred to in Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (Monday to Saturday) from 10.00 am to 1.00 pm upto the date of the Meeting except holidays.
5. Members are requested to bring their copy of the Notice for the Meeting.

Registered office:
11, Zade Layout, Bharat Nagar,
Nagpur - 440 033

Place: Nagpur
Date: July 30, 2012



By Order of the Board of Directors

(Signature)
(Khushboo A. Pasari)
Company Secretary

Members' approval is being sought in terms of Section 81(1A) of the Companies Act, 1956 (Act) which provides, *inter alia*, that whenever it is proposed to increase the subscribed capital of a company by issue and allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on that date unless the shareholders decide otherwise. The Equity Listing Agreements entered by the Company with the various Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription *pro rata* to the shareholders unless the shareholders decide otherwise.

The following disclosure for the preferential issue of securities is made in accordance with the provisions of Regulation 73 of Chapter VII of SEBI Regulations relating to the Preferential Issue, and the Act.



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EXPLANATORY STATEMENT REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

The Company proposes to issue and allot 7,74,195 fully paid-up equity shares of Rs. 10/- each (*Equity Shares*) representing approximately 4.28% of the total subscribed, issued and paid-up share capital of the Company, on preferential basis to Oman India Joint Investment Fund (*OIJIF*), a Private Equity Fund with its office at Unit No. 1101, Tower 2A, One Indiabulls Centre, S. B. Road, Elphinstone (West), Mumbai). The aggregate amount of total preferential issue will be INR 72,00,01,350 (Rupees Seventy Two Crore One Thousand Three Hundred Fifty only) at a price of Rs. 930/- per Equity Shares, subject to and in accordance with the provisions of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (*SEBI Regulations*).

BACKGROUND

The Company received an offer from OIJIF to subscribe to 7,74,195 Equity Shares at a price of Rs. 930/- per Equity Share. The Board has accepted this offer at its meeting held on 30th July, 2012. The investment is subject to customary conditions including receipt of shareholders approval and signing a mutually agreeable Subscription cum Shareholders Agreement between the Company and OIJIF.

OIJIF was started as a sovereign level initiative between India and Oman following bilateral discussions between both the sides. Subsequently, State Bank of India (*SBI*) and the State General Reserve Fund (*SGRF*) of Oman entered into a joint venture agreement for investing up to USD 1.5 billion through various schemes in prestigious ventures in India. SBI and SGRF have jointly formed OIJIF with equal investment from both sides. OIJIF is registered with the Securities and Exchange Board of India.

PROPOSAL

Members' approval is being sought in terms of Section 81(1A) of the Companies Act, 1956 (*Act*) which provides, *inter alia*, that whenever it is proposed to increase the subscribed capital of a company by issue and allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on that date unless the shareholders decide otherwise. The Equity Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription *pro rata* to the shareholders unless the shareholders decide otherwise.

The following disclosure for the preferential issue of securities is made in accordance with the provisions of Regulation 73 of Chapter VII of SEBI Regulations relating to the Preferential Issue, and the Act:





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1 Objects of the preferential issue:

The proposed preferential issue is for the purpose of :

- (i) funding the capital expenditure plans of the Company for investing in defence and explosives business in India; and
- (ii) partly to cater to the additional working capital requirements of the Company with respect to capital expenditure plan.

2 Proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:

None of the current promoters of the Company or directors or key management personnel will participate in the proposed preferential issue of Equity Shares.

3 The shareholding pattern of the Company before and after the preferential issue:

Category	Pre-issue		Post-issue	
	No. of Equity Shares	% of total Equity Shares	No. of Equity Shares	% of total Equity Shares
Promoters	1,29,79,327	74.92%	1,29,79,327	71.72%
Non-Promoters/Public				
Oman India Joint Investment Fund	Nil	Nil	77,41,95	4.28%
Public shareholders	43,44,489	25.08%	43,44,489	24.00%

4 Time within which preferential issue will be completed:

The Company shall complete the allotment of securities within a period of 15 (fifteen) days from the date of passing of the Special Resolution, provided that where any application for any approval or permission by any statutory or regulatory authority is pending, the period of fifteen days shall be counted from the date of such approval or permission, as the case may be or such other extended period as may be permitted under applicable SEBI Regulations, as amended from time to time.

5 Identity of the proposed allottees, percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:

Oman India Joint Investment Fund, a private equity fund with its office at Unit No. 1101, Tower 2A, One Indiabulls Centre, S. B. Road, Elphinstone (West), Mumbai. The Equity Shares shall entitle OIIF to 4.28% of the total post issue paid up share capital of the Company, pursuant to the preferential issue of Equity





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Shares. Post the investment, OIJIF will be a "public / non-promoter" shareholder of the Company. OIJIF will not acquire any control over the Company.

- 6 **Undertaking that the Company will re-compute the price of the specified securities proposed to be issued to OIJIF in terms of the SEBI Regulations where it is required to do so:**

The price for the proposed preferential issue is computed in compliance with SEBI Regulations. The Company undertakes that it shall, if required, re-compute the price of the Equity Shares in terms of the SEBI Regulations.

- 7 **Undertaking that if the amount payable on account of re-computation of price is not paid within time stipulated in the SEBI Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by OIJIF:**

The Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI Regulations, the Equity Shares issued to OIJIF shall continue to be locked in till the time such amount is paid by OIJIF.

- 8 **Certificate of the Statutory Auditor:**

M/s Gandhi Rathi & Co., the Statutory Auditor of the Company, have certified that the proposed preferential issue of Equity Shares is being made in accordance with the requirements contained in the SEBI Regulations. A copy of the said certificate is available for inspection by the shareholders at the registered office of the Company on all working days (Monday to Saturday) from 10.00 am to 1.00 pm upto the date of the Extraordinary General Meeting except holidays and will be available for inspection at the meeting.

- 9 **Lock-in:**

The Equity Shares to be allotted to OIJIF shall be subject to lock in for a period of one year from the date of allotment in accordance with the SEBI Regulations.

- 10 **Pricing of the Equity Shares:**

The Equity Shares are proposed to be issued and allotted at a price of Rs. 930/- (Rupees Nine Hundred Thirty only) per Equity Share (calculated at a price of Rs. 10/- per Equity Share towards face value and Rs. 920/- per Equity Share towards premium) or at such price which is not less than the higher of the following, in terms of SEBI Regulations:





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- (a) average of weekly high and low of the closing price during 26 weeks preceding the relevant date;
or
(b) average of weekly high and low of the closing price during 2 weeks preceding the relevant date.

In terms of the SEBI Regulations, the relevant date shall be thirty days prior to the date on which the meeting of the shareholders is held to consider the preferential issue in terms of Section 81(1A) of the Act. In terms of the SEBI Regulations, where the relevant date falls on a weekend/holiday, the day preceding the weekend/holiday, will be reckoned to be the relevant date. The relevant date in the present case is 27th July, 2012.

The Special Resolution pursuant to the provisions of Section 81(1A) is proposed to be passed to enable the Company to proceed with the proposed preferential issue.

The Board, therefore, places the proposed resolution for your consideration and recommends that, it be passed as a Special Resolution.

None of the Directors of the Company are in any way interested in the Special Resolution, except for their shareholding and the shareholding of their relatives in the Company.



By Order of the Board of Directors

Khushboo A. Pasari

(Khushboo A. Pasari)
Company Secretary

Registered office:
11, Zade Layout, Bharat Nagar,
Nagpur - 440 033

Place: Nagpur
Date: July 30, 2012

Affix
One Rupee
Revenue
Stamp here
& sign.

Signature of Shareholder(s)

The Proxy form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.

SOLAR INDUSTRIES INDIA LIMITED
Registered Office: 11, Zade Layout, Bharat Nagar, Nagpur – 440 033

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Please complete this attendance slip and hand it over at the entrance of the Meeting Hall Joint Shareholders may obtain attendance slip at the venue of the meeting.

Name and Address of the Member	Registered Folio Number	Client ID & DP ID Number	Number of Shares held

I/We hereby record my/our presence at the Extraordinary General Meeting of the Company to be held at Monday, 27th day of August, 2012 at the Registered office of the Company i.e. 11, Zade Layout, Bharat Nagar, Nagpur, Maharashtra – 440 033

Signature of the Member or the Proxy Attending the Meeting

If Member, please sign here	If Proxy, please sign here

SOLAR INDUSTRIES INDIA LIMITED
Registered Office: 11, Zade Layout, Bharat Nagar, Nagpur – 440 033

PROXY FORM

Folio No. _____ Client ID no. & DP ID no _____

I/We _____ of _____
being Member/Members of SOLAR INDUSTRIES INDIA LIMITED, hereby appoint _____
of _____ or failing him/her _____
of _____ or failing him/her _____ of _____ as
my/our Proxy to attend and vote for me/us behalf at the Extraordinary General Meeting of the Company to be held at Monday, 27th day of August, 2012 at the Registered office of the Company i.e. 11, Zade Layout, Bharat Nagar, Nagpur, Maharashtra – 440 033 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
One Rupee
Revenue
Stamp here
& sign

Signature of Shareholder(s)

Note: The Proxy form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.

