



NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of Raunaq Automotive Components Ltd. will be held on Tuesday, the 30th September, 2014 at 11.00 A.M. at Shivam Garden, Bawana Road, Narela, New Delhi - 110040 to transact the following business:

AS AN ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2014 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Devender Singh, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To reappoint M/s. A. Sachdev & Co. (ICAI Registration No. 001307 C) Chartered Accountants as Statutory Auditors of the Company to hold their office from the conclusion of this Annual General Meeting, for 3 (three) consecutive years till the conclusion of the 34th Annual General Meeting of the Company to be held in the calendar year 2017 and to fix their remunerations in this regard.

AS A SPECIAL BUSINESS:

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

"RESOVLED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Raj Kumar Kapoor (holding Director Identification Number 00110338) a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed an Independent Director of the Company, to hold office for a period of Three (3) consecutive years for a term up to Conclusion of the 34th Annual General Meeting of the Company to be held in the Calendar year 2017 and whose office shall not be liable to retire by rotation."

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

"RESOVLED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Anil Sharma (holding Director Identification Number 00157911) a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed an Independent Director of the Company, to hold office for a period of Three (3) consecutive years for a term up to the Conclusion of the 34th Annual General Meeting of the Company to be held in the calendar year 2017 and whose office shall not be liable to retire by rotation."

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

"RESOVLED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Madan Lal (holding Director Identification Number 00272672) a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed an Independent Director of the Company, to hold office for a period of Three (3) consecutive years for a term up to the Conclusion of the 34th Annual General Meeting of the Company to be held in the calendar year 2017 and Whose office shall not be liable to retire by rotation."



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

"RESOVLED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rakesh Kapoor (holding Director Identification Number 00015358), who has been appointed as an Additional Director & Whose term of office terminates at this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the act and is eligible for reappointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed an Independent Director of the Company to hold office for a period of Three (3) consecutive years for a term up to the Conclusion of the 34th Annual General Meeting of the Company to be held in the Calendar year 2017 and Whose office shall not be liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the provisions of Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, (hereinafter referred to as "SEBI (ICDR) Regulations") (including any statutory amendment, modification, variation or re-enactment thereof, and the provisions of any rules/regulations / guidelines issued / framed by the Central Government, for the time being in force), relevant enabling provisions of the memorandum and Articles of Association of the Company, and in accordance with the Listing Agreement entered into by the Company with the Stock Exchanges where the securities (Equity shares) of the Company are listed and subject to all such approvals, consents, permissions and / or sanctions as may be required by law from Government of India, Securities and Exchange Board of India, Stock Exchanges and any other appropriate, regulatory, concerned authorities, institutions or body (hereinafter singly or collectively referred to as "the appropriate authorities") and subject to such terms, conditions, alterations, changes, variations and / or modifications as may be prescribed or imposed by any or more or all of them while granting any such consents, permissions, approvals and / or sanctions (hereinafter singly or collectively referred to as "the requisite approvals") which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee (s), which the Board may have constituted or hereafter constitute in this behalf to exercise the powers conferred on the Board by this Resolution), the Board be and is hereby authorized to create, offer issue and allot 10,00,000 (Ten Lacs) Equity Shares of Rs.10/- (Rs. Ten) each at a premium of Rs.10/- (Rs. Ten) each aggregating Rs. 200 Lacs on Non-repatriation/repatriation basis and on such further terms and conditions as may be approved or finalized by the Board to Mr. Arendra Kumar R/o 19 B Napier Road, Ashford, TW 15, ITQ - U.K. (hereinafter referred to as the "Investor"), on a preferential basis, without offering the same to any other person.

"RESOLVED FURTHER THAT the "Relevant Date" in relation to issue of Equity shares pursuant to this resolution in accordance with the provisions of Regulation 71 of Chapter VII of SEBI (ICDR) Regulations shall be the date thirty (30) days prior to the date of this Annual General Meeting of the shareholders of the Company i.e. 31st August, 2014 or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.

"RESOLVED FURTHER THAT subject to the terms stated hereinabove.

- a) The Equity Shares offered and issued shall be allotted within a period of Fifteen (15) days from the date of passing of this resolution, provided that if any requisite approvals from the appropriate authorities for allotment of Equity Shares is pending, the period of Fifteen (15) days shall be counted from the date of such requisite approvals.
- b) The Equity Shares offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- c) The Equity Shares offered, issued and allotted pursuant to this resolution shall rank pari passu inter-se with the existing Equity Shares of the Company in all respects, including dividend.



- d) The Equity Shares offered, issued and allotted shall remain locked-in from such date and for such periods as specified under the SEBI (ICDR) Regulations.
- e) The Equity Shares offered, issued and allotted to the investor shall be in dematerialized form.

"RESOLVED FURTHER THAT pursuant to Section 52 of the Companies Act, 2013, the premium of Rs.10/- (Rs.Ten) each per equity share to be received on issue and allotment of 10,00,000 (Ten Lacs) equity shares of the Company as aforesaid be transferred to the " Securities/Share Premium Account" of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director(s)/Committee of Director(s) or any other Officer or Officers of the Company to give effect to the aforesaid resolution including to execute any document on behalf of the Company and to represent the Company before any appropriate authorities."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including without limitation to enter into arrangements/agreements and to settle any question, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Equity Shares with the Stock Exchanges, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

"RESOLVED THAT in supercession of the earlier resolution passed on 27th September, 1996 by the Shareholders of the Company pursuant to the provision of Section 293 (1)(d) of the Companies Act, 1956 according their consent and herein after pursuant to section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ('Act') and the applicable rules made there under, consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board', which term shall include it's committee (s) constituted/ for the purpose) to borrow any sum, or sums of monies and/or to receive/ avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more of the financial institutions, Banks etc. as they may deemed fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company may exceed the paid up share Capital of the Company and its free reserve, provided that the total amount so borrowed (apart from temporary loans obtained by the Company' from Bankers in the ordinary course of Business) and outstanding at any point of time shall not exceed **Rs. 50 crores (Rupees Fifty crores)** as prevailing from time to time, exclusive of interest and other charges and the Board be and is hereby authorized to execute/cause to execute such Agreements, debenture trust deeds, deeds of hypothecation/charge, lien, promissory notes and other deeds and instruments or writings containing such conditions and covenants and to do/ cause to do all acts, deeds, matters and things in this regard as the Board may think fit and proper."

"RESOLVED FURTHER THAT the Board of Directors of the Company may act through the Committee of Directors/any member there of or any other person duly authorized by the Board in that behalf."

By order of the Board
For Raunaq Automotive Components Limited

Sd/-
(D. R. ARYA)
Director & C.S.

Place : New Delhi
Dated : 31st July, 2014

The Statement Pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the Business under items no. 4 to 9 set out above and the details under Clause 49 of the Listing Agreement with Stock Exchange (Mumbai) in respect of Directors proposed to be appointed/reappointed at the Annual General Meeting is annexed hereto.



Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than Forty Eight (48) hours before the commencement of the meeting.

A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than Ten (10) percent of the total share capital of the company. Further, a member holding more than Ten (10) percent, of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. Proxies submitted on behalf of the Companies, Society etc. must be submitted by an appropriate resolution/Authority as applicable.

2. Members / Proxies should fill the attendance slip for attending the meeting and bring their attendance slips along with their copy of the Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their DP ID and client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the meeting to facilitate identification of membership at the meeting. No attendance slip shall be issued at the venue of the Meeting.
3. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of members and Share Transfer Books of the Company would remain closed from 23rd September, 2014 to 30th September 2014 (both days inclusive).
5. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.
6. The Non Resident Indian shareholders are requested to inform the Company immediately about the change in residential status on return to India for permanent settlement.
7. Members seeking any further clarification/information relating to the Annual Accounts are requested to write to Company Secretary at the Registered Office of the Company at least **ONE WEEK** before the date of meeting.
8. The shares of the Company are compulsorily traded in demat mode. Hence, the members who are still holding physical share certificates are advised that it is in their own interest to dematerialize to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate(s) to MAS Services Limited, Registrar & Transfer Agent for consolidation into a single folio.
10. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number of all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish a copy of PAN card to the Company/ share transfer Agent for registration of such transfer of shares.
11. The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies in terms of which a Company would have ensured compliance with the provisions of Section 136 of the Companies Act, 2013. If service of documents have been made through electronic mode. In such a case, the Company has to obtain e-mail addresses of its members for sending the notices /documents through E-mail giving an advance opportunity to each shareholder to register their e-mail address and changes therein, if any, from time to time with the Company.



Also, the shareholders who have not registered their e-mail address for receiving the balance sheet etc., they will be sent the physical copies through recognized mode of delivery specified under Section 20 of the Companies Act, 2013.

Further, Clause 32 of the Listing agreement entered into by the Company with the Bombay Stock Exchange provides that the Company shall supply:

- (i) Soft copies of Annual reports containing its Balance Sheet, Statement of Profit & Loss and Directors Report to all those shareholder(s) who have registered their e-mail address(es) for the purpose.
- (ii) Hard copies of full annual report to those shareholders, who request for the same.

The Company has welcomed the Green initiative and accordingly the soft copies of the financial statements for the year ended March 31, 2014 will be sent to all those members whose e-mail IDs are available with the Company's Register and Transfer Agent.

Further, in terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a Company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the Company or as provided by the depository, provided that the Company shall provide an advance opportunity at least once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their e-mail IDs recorded or to update a fresh e-mail IDs and not from the members whose e-mail IDs are already registered.

In view of the above, the Company hereby request members who have not updated their email IDs to update the same with their respective depository Participant(s) or the MAS Services Limited, Register and Transfer Agent (R&T) of the Company. Further, members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants/R&T of the company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R&T of the Company quoting their folio number(s).

As a responsible citizen, your Company strongly urges you to support the Green Initiative by giving positive consent by registering/updating your e-mail address with the depository participants or to the registrar and transfer agent for receiving soft copies of various communications including the Annual Reports.

12. Voting through Electronic means

- I. In terms of Section 108 of the Companies Act, 2013 and read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the 31st Annual General Meeting by electronic means and the business may be transacted through e-Voting services as provided by CDSL:

The procedure and instructions for e-Voting are as under:

- (i) Log onto the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME - **Raunaq Automotive Components Limited**" from the drop down menu and click on "SUBMIT".
- (iv) Now, enter your User ID.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.



(vi) Now, fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB*	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format,
Bank Details*	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the Member ID / Folio Number in the Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for **Raunaq Automotive Components Limited** to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

General Instructions:

- (A) The e-voting period commences on 23rd September, 2014 (9.00 a.m.) and ends on 24th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of 22nd August, 2014.
- D) The Company has appointed M/s K. K. Malhotra & Co., Practicing Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- E) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- F) The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.raunaqauto.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
13. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered office of the Company during the office hours between 11.00 A.M. to 1.00 P.M. on all working days except Sundays up to the date of the meeting and shall also be available at the venue of the AGM.

By order of the Board
For Raunaq Automotive Components Limited

Place : New Delhi
Dated : 31st July, 2014

Sd/-
(D. R. ARYA)
Director & C.S.



EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT 2013)

ITEM NO. 2

Mr. Devender Singh has been appointed by PICUP as a Nominee Director on the Board of the Company. In terms of provision of Memorandum and Articles of Association of the Company his office of Director is liable to retire by rotation, The term of his office as a Director terminates at the forthcoming Annual General Meeting.

Mr. Devender Singh aged about 56 years is an M.Com, CAIB and MBA (Finance) from University of Delhi. He is a very seasoned and experienced professional serving as Deputy Managing Director, at PICUP Lucknow. He has a very vast experience of more than 30 years in Industries, Administration, Finance and projects.

He is also on the Board of the Following Companies:

1. Pashupati Acrylon Limited (Nominee Director).

The Board of Directors recommends the Resolution in relation to the reappointment of the Mr. Devender Singh.

Mr. Devender Singh does not hold any Shares of the Company.

Except Mr. Devender Singh being an appointee Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No. 2 of the notice of the Annual General Meeting.

ITEM NO. 4

Mr. Raj Kumar Kapoor aged about 64 years is a B.Tech (Chemical Engg.) and MBA (Delhi University). He has retired as Chief General Manager of IDBI Bank. He has a wide experience of more than 40 years in Banking and Financial services industry. His key areas of expertise are Assets and Liabilities Management, Projects Finance, Integrated Risk Assessment Mitigation & Management, Basel II & provision for Capital, settlement & restructuring of liabilities of sick units and 4 years of International experience in Banking. As on date he has been holding the office of Independent Director of the Company and he is also Chairman of the Audit Committee constituted by the company.

In terms of section 149 and other applicable provisions of the companies Act, 2013, Mr. Raj Kumar Kapoor being eligible offers himself for re-appointment, it is proposed that he may be appointed an Independent Director for a term of Three (3) Consecutive years to be held up to the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2017. A notice has been received from a Member of the Company under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Raj Kumar Kapoor as candidate for the Office of an Independent Director of the Company.

He is also on the Board of the following Companies:

1. Alchemist Assets Reconstruction Company Limited (AARC).
2. Jai Jute & Industries Limited.

In the opinion of the Board, Mr. Raj Kumar Kapoor fulfills the condition specified in the Companies Act 2013 and rules made there under for his appointment as an Independent Director of the Company which is independent of the management.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Raj Kumar Kapoor as an Independent Director for the approval of the Shareholders of the Company.

Mr. Raj Kumar Kapoor does not hold any Shares of the Company.

Except Mr. Raj Kumar Kapoor being an appointee Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice of the Annual General Meeting.

ITEM NO. 5

Mr. Anil Sharma aged about 66 years is an Engineering Graduate, BE (Electrical), from University of Roorkee, having Post Graduate Diploma in Management from All India Management Association, New Delhi. Mr. Anil Sharma has retired as General Manager of PICUP, a state Level Industrial & Development Corporation. He has a wide experience of more than 35 years of project development, implementation and follow-up in different segments of industry particularly in Automotive Components and Tele communication sectors. As on date he has been holding office of Independent Director on the Board of Directors of the Company and he is also a Member of Audit Committee and Remuneration Committee of the Company.



In terms of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Anil Sharma being eligible and offers himself for re-appointment, it is proposed that he may be appointed as an Independent Director for a term of Three (3) Consecutive years up to the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2017. A notice has been received from a member of the Company under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Anil Sharma as candidate for the Office of an Independent Director of the Company.

He is also on the Board of the Following Companies:

- NIL-

In the opinion of the Board, Mr. Anil Sharma fulfills the condition specified in the Companies Act 2013 and rules made there under for his appointment as an Independent Director of the Company which is independent of the management.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Anil Sharma as an Independent Director for approval of the Shareholders of the Company.

Mr. Anil Sharma does not hold any Shares in the Company.

Except Mr. Anil Sharma being an appointee Director none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No. 5 of the notice of the Annual General Meeting.

ITEM NO. 6

Mr. Madan Lal aged about 72 years is a retired Government officials (Deputy General Manager) IDBI holding CAIIB Diploma in Financial Management from Bajaj (6 months diploma in co-operation). He had held a coveted post in IDBI and has successfully handled Project Financing, Rehabilitation Financing, project Appraisal, Analysis of Financial Statements and has also worked as Deputy Director (BIFR) having a vast experience of more than 20 years in IDBI and other departments. Since last more than 10 years he has contributed significantly in the revival and growth of the Company.

Mr. Madan Lal is holding office of an Independent Director on our Board. He is also a member of the Remuneration Committee and Share Transfer Committee of the Company.

In terms of section 149 and other applicable provisions of the companies Act 2013, Mr. Madan Lal being eligible and offers himself for re-appointment, it is proposed that he may be appointed as an Independent Director for a term of Three (3) Consecutive years up to the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2017. A notice has been received from a member of the Company under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Madan Lal as a candidate for the Office of an Independent Director of the Company.

He is also on the Board of the Following Companies:

1. Shreyans Industries Limited.

In the opinion of the Board, Mr. Madan Lal fulfills the condition specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company which is independent of the Management.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Madan Lal as an Independent Director for approval of the Shareholders of the Company.

Mr. Madan Lal does not hold any Shares in the Company.

Except Mr. Madan Lal being an appointee Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No. 6 of the notice of the Annual General Meeting.

ITEM NO. 7

Mr. Rakesh Kapoor aged about 59 years is a B.Sc (Hons. Chemistry), Post Graduate Diploma in Sugar Technology, Certificate course in International Marketing & Diploma in Management from All India Management Association, New Delhi. Mr. Rakesh Kapoor has retired as Managing Director of IFCI Factors Ltd. Earlier, he was holding the post of Chief General Manager in IFCI for 22 years.



Besides this he is a Techno Finance Professional with strong experience of more than 27 years in the financial services sector and 10 years in corporate sector. He has a big exposure in leading a mid size NBFC, great understanding of issues and needs of SME sector, very strong experience in formalizing collaboration with various Industrial organizations, a good exposure in Project appraisal for term credit, managing large teams and independent offices, understanding the policies and regulatory framework pertaining to financial sector.

Mr. Rakesh Kapoor has been appointed as an Additional Director on the Board of the Company on 28th October, 2013 whose term of office terminates at the end of this Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rakesh Kapoor being eligible and offers himself for re-appointment as an Independent Director, it is proposed that he may be appointed an Independent Director for a term of Three (3) consequent years up to the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2017. A notice has been received from a member of the Company under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Rakesh Kapoor as candidate for the Office of Independent Director of the Company.

He is also on the Board of the Following Companies:

1. Ugar Sugar Works Limited.
2. New Habitat Housing Finance & Development Limited.

In the opinion of the Board, Mr. Rakesh Kapoor fulfills the condition specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company which is independent of the management.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Rakesh Kapoor as an Independent Director for approval of the Shareholders of the Company.

Mr. Rakesh Kapoor does not hold any Shares in the Company.

Except Mr. Rakesh Kapoor being an appointee Director none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No.7 of the notice of the Annual General Meeting.

ITEM NO. 8:

The Company has achieved substantial growth in export business in last 3 years by virtue of long term business tie up with select global automotive manufacturers in Europe & Japan. The Company had to carry out substantial investments towards creating desired infrastructure and manufacturing capabilities to cater to delivery and quality requirements of global customers. All these investments have resulted into tighter cash flow. Moreover, export business has very high receivables time. The severity of cash flow has been further compounded by higher receivable time in exports business. Our bankers suggested to raise the equity to come over this situation. Bankers have informed that they are agreeable to increase the borrowings for fulfilling the short fall in working capital requirements, subject to the condition that Company brings in additional equity as stipulated to the company.

Under these circumstances, it is considered appropriate that paid up Equity Capital of the Company be increased by an amount of Rs.1 Crore by way of allotment of 10,00,000 equity shares of Rs.10/- each.

Since the existing shareholding pattern does not permit for any further increase in the promoters holding in the existing equity capital of the Company as per prevailing SEBI Guidelines, Company approached various individual & institutional investors for exploring subscription. Subsequently, Company has short listed a high net worth individual, who had shown his willingness to subscribe to the capital of the Company to the extent of 10,00,000 Equity Shares of Rs.10/- each @ Rs.20/- per share or such higher price as may be ascertained in accordance with SEBI guidelines & other statutory guidelines issued by different authorities on Non-repatriation/repatriation basis.

This resolution seeks consent of the shareholders as required by Section 62 of the Companies Act, 2013 to issue up to 10,00,000 equity shares of Rs.10/- each @ Rs.20/- per share, on such terms & conditions as decided by the Board of Directors in accordance with the terms & conditions as prescribed by SEBI guidelines. The certificate from M/s. A. Sachdev & Company, Chartered Accountants, the Statutory Auditors of the Company, that the above issue is made in accordance with the guidelines, notifications and clarifications on preferential issues (as issued by SEBI from time to time) would be available for inspection during 4 weeks prior to holding the Annual General Meeting at the registered office of the company during the business hours.



The Board at its meeting held on 31st July, 2014 finalized and approved the terms and conditions of such Preferential Allotment under which Mr. Arendra Kumar will subscribe and the Company will issue 10,00,000 (Ten Lacs) equity shares of Rs.10/- (Ten) each at Rs. 20/- (Twenty) per Share (at a premium of Rs.10/- (Ten) each).

Pursuant to the terms of the Allotment and subject to compliances and receipt of the requisite approvals from the appropriate authorities, the company will, on the date of allotment, issue to Mr. Arendra Kumar 10,00,000 (Ten Lacs) Equity Shares of Rs.10/- (Ten) each at Rs. 20/- (Twenty) per Share (at a premium of Rs.10/- (Ten) each), which is higher than the maximum price at which the equity shares are permitted to be issued, as per provisions of Regulation 76 of Chapter VII of SEBI (ICDR) Regulations.

As per Regulation 76(1) of Chapter VII of the SEBI (ICDR) Regulations, an issue of Equity shares on a Preferential basis can be made only at a price, which is not less than the higher of the following:

- i) The average of the weekly high and low of the closing prices / volume weighted average price of the related Equity Shares on the recognized stock exchange during the twenty six (26) weeks preceding the relevant date; or
- ii) The average of the weekly high and low of the closing prices / volume weighted average price of the related equity shares quoted on a recognized stock exchange during the two (2) weeks preceding the relevant date.

The "Relevant Date" in accordance with the provisions of Regulation 71 (a) of Chapter VII of the SEBI (ICDR) Regulations for the Preferential offer means the date thirty (30) days prior to the date on which this Annual General Meeting of the Company is held, to consider the proposed preferential issue/offer. Accordingly the "Relevant Date" for this preferential offer is 31st August, 2014.

For this purpose, stock exchange means the Bombay Stock Exchange Limited (BSE) in which the shares of the Company are Listed and trading volume of the Company's Equity Shares has been recorded during the Twenty Six (26) Weeks immediately preceding the relevant date.

The average price as computed on the above basis during the twenty six (26) weeks preceding the relevant date is very much lower than the Issued Price. The Issued Price is Rs. 20/- (Rs. Twenty Only) and the Company has undertaken to recompute the same in case it exceed the Issue Price.

It is therefore, proposed to raise further capital by way of a Preferential Allotment of Equity Shares as per provisions of Section 42, 62 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the provisions of Chapter VII of the SEBI ((ICDR) Regulations.

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the Subscribed Capital of a Company by allotment of further shares, such further shares will be offered to the existing shareholders of the company in the manner laid down in the Section unless the shareholders in General Meeting decide otherwise by passing a Special Resolution.

The Listing Agreement executed by the Company with the Stock Exchanges provide that the Company shall issue or offer in the first instance all securities to the existing equity Shareholders of the Company unless the Shareholders decide otherwise.

Accordingly, the consent of the Shareholders is being sought, pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies Prospectus and Allotment of Securities) Rules 2014 and the provisions of Regulation 74 (1) of Chapter VII of the SEBI (ICDR) Regulations, and in terms of the provisions of the Listing Agreements, and such other requisite approvals from the appropriate authorities, as may be necessary, to issue and allot specified securities (equity shares) as stated in the Special Resolution.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalize the terms of the issue in accordance with the normal practice (b) powers to issue and market any securities; and (c) for utilization of the issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals of the members or otherwise, with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

The Equity Shares of the Company to be allotted shall be subject to the memorandum and Articles of Association of the Company and the terms of the issue. The consummation of the proposed subscription of equity shares by the Investor is subject to requisite approval from the appropriate authorities including the governmental and / or regulatory authorities, if required and / or as applicable.



The Board believes that the Preferential offer to Mr. Arendra Kumar will be in the best interest of the Company and its members.

As required under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 73 of Chapter VII of SEBI (ICDR) Regulations, the other required details are furnished as under:

a) Object of the preferential issue:

The object of the proposed allotment under preferential issue is:

- i) To strengthen the equity capital base of the Company for the purpose of raising debt in future.
- ii) To meet short fall in working capital requirements as advised by the Bankers of the Company namely Bank of India,
- iii) To meet expenditure for general corporate purposes.

b) Proposal / Intention of the promoters, Directors or Key Managerial Personnel of the Issuer (Company) to subscribe to the offer:

The existing Shareholding Pattern of the Company does not permit the promoters / directors together with their relatives to subscribe to the Equity Shares of the Company.

c) **Shareholding Pattern of the issuer (Company) before and after the Preferential Issue of Equity Shares involved in the present resolution.**

S. No.	Category of Shareholders	Pre issue shareholding		Post issue shareholding	
		Pre-Issue Shares Held	% of Total share holding	Post-Issue Shares Held	% of Total Share holding
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals	98036	1.098	98036	0.987
(b)	Body Corporate	4901987	54.884	4901987	49.358
	Sub-Total (A)(1)	5000023	55.982	5000023	50.345
(2)	Foreign				
(a)	Individuals	—	—	—	—
(b)	Body Corporates	—	—	—	—
	Sub-Total (A)(2)	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	5000023	55.982	5000023	50.345
(B)	Public Shareholding				
(1)	Institutional Investors				
(a)	Mutual Fund / UTI / Insurance Co's	—	—	—	—
(b)	Financial Institutions/ Banks	500	0.006	500	0.005
(c)	Foreign Institutional Investors (FII)	—	—	—	—
	Sub-Total (B)(1)	500	0.006	500	0.005



(2)	Non-Institutional Investors				
(a)	Bodies Corporate	255237	2.858	255237	2.570
(b)	Directors including KMP and their relatives	—	—	—	—
(c)	Indian Public (Individuals)	2609682	29.218	2609682	26.277
(d)	Others (including NRIs)	1066158	11.937	2066158	20.803
	Sub-Total (B)(2)	3931077	44.013	4931077	49.650
	Total Public Shareholding (B) = (B)(1)+(B)(2)	3931577	44.019	4931577	49.655
	GRAND TOTAL (A+B)	8931600	100.000	9931600	100.000

- e) Identity of the natural persons who are the ultimate beneficial owners of the Shares proposed to be allotted and/or who ultimately control the proposed allottee (Investor), the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Issuer (Company) consequent to the preferential issue:

1	Identity (Name) of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottee (Investor)	Mr. Arendra Kumar
2	Details of the Proposed Allottee (Investor)	Mr. Arendra Kumar
3	Number of Equity Shares and percentage (%) of total shareholding held by the proposed allottee (Investor) prior to Preferential Issue.	NIL
4	Number of Equity Shares and percentage (%) of post Preferential Issue capital that may be held by the proposed Allottee (Investor)	10,00,000 (Ten Lacs) Equity Shares 10.07% of Total Issue Capital.

The proposed allotment on preferential basis, if made, will not result in change of Management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations 2011 (as amended). As such, there will not be any change in the management control of the Company on account of this proposed Preferential Allotment except change in the voting rights which will change in tandem with the change in Shareholding Pattern.

- f) Undertaking that the Issuer (Company) shall re-compute the price of the specified securities (Equity Shares) in terms of the provision of these regulations where it is required to do so:

The issuer (Company) hereby undertakes that it shall re-compute the price of the specified securities (Equity Shares) in terms of the provisions of the SEBI (ICDR) Regulations, in case it is required to do so.

- g) Undertaking that 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 (Equity Shares) shall continue to be locked-in till the time such amount is paid by the proposed allottees (Investor).

The Company undertakes that if the amount payable on re-computation of the price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the specified securities (Equity Shares) shall continue to be locked-in till the time such amount is paid by the proposed allottees (Investor).

- h) LOCK-IN

The equity shares to be allotted on preferential basis shall be subject to lock-in period as provided in the SEBI (ICDR) Regulations, for the time being in force.



l) Earlier allotment on preferential basis:

During the financial year 2013-2014, the Company has not offered any securities (Equity Shares) to any person on preferential basis except present (Mr. Arendra Kumar) the one mentioned in the accompanying notice.

j) Basis of valuation of shares:

The Company is a Public Limited - Listed Company and the price of Equity Share has been calculated in accordance with the provisions of chapter VII of the SEBI (ICDR) Regulations. As such, the price of the Equity Share is not required to be determined by a Registered valuer.

k) Dealing and Holding by the Investor:

The allotment of Equity Shares under Preferential Issue are subject to the Investor not having dealt in any Equity Shares during the Six (6) months preceding the relevant date and the investor not acquiring or selling any Equity Shares until completion of the allotment under the proposed preferential issue.

l) Certificate from Statutory Auditors:

M/s. A. Sachdev & Co. Statutory Auditors of the Company have certified that the present Preferential Issue of Equity Shares on the above terms and conditions, is in accordance with the requirements contained in the SEBI (Issue of Capital & Disclosure Requirements), Regulations 2009, and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended up to date.

m) The Statutory Auditor's Certificate will be available for inspection by members during working hours on any working day till the date of the Annual General Meeting at the Registered office of the Company and also at the place of the meeting at the scheduled time of Annual General Meeting.

n) Approvals

The Company is taking necessary steps to obtain all the requisite approvals from all the appropriate authorities including Stock Exchange, SEBI or any other regulatory authorities as may be applicable, for the proposed Preferential Issue of equity shares of the Company.

None of the Directors and Key Managerial Personnel together with their relatives are, in any way, concerned or interested - financially or otherwise in this resolution.

The Board recommends the passing of resolution mentioned at Item No. 8 of the notice as a Special Resolution in the interest of your Company.

All documents referred to in the notice including explanatory statement thereof, will be available for inspection by members during working hours on any working day till the date of the Annual General Meeting at the registered office of the Company and also at the place of the meeting at the scheduled time of Annual General Meeting.

ITEM NO. 9 :

The members of the Company at the 13th Annual General Meeting held on 27th September, 1996 had passed an Ordinary Resolution under section 293 (1) (d) of the companies Act, 1956, (by way of Ordinary Resolution) and authorized the Board of Directors for availing borrowings over and above the aggregate of paid up share capital and free reserves of the company provided that the total amount of such borrowings together with amounts already borrowed and outstanding at any point of time should not exceed Rs. 50 Crores.

Section 180 (1) (c) of the Companies Act, 2013 ('Act'), provides for similar consent to be sought from members by way of Special Resolution. The Present resolution enables the Board of Directors exercise their Power of Borrowing with in overall limits of Rs.50 Crores only which has already been approved by the Shareholders at the 13th Annual General Meeting.

The Board recommends the resolution of item No. 9 for your approval.

None of the Directors & Key Managerial Personnel of the Company nor their relatives are concerned or interested financially or otherwise in the resolutions at Item No. 9 of the accompanying notice.