



SHAKTI PUMPS (INDIA) LIMITED

REGD. OFFICE: 401,402&413, INDUSTRIAL AREA, SECTOR-III,
PITHAMPUR, DIST-DHAR – 454775 (M.P.)

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra-Ordinary General Meeting of **SHAKTI PUMPS (INDIA) LIMITED** will be held on Thursday, January 9, 2014 at the Registered Office of the Company at 401,402&413, INDUSTRIAL AREA, SECTOR-III, PITHAMPUR, DIST-DHAR – 454775 (M.P.) at 10.00 A.M. to transact the following business:-

SPECIAL BUSINESS

Issue of preferential warrants

To consider and if thought fit to pass with or without modification the following resolution as a **special resolution**:

"RESOLVED that pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the rules / regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), and Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and / or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges on which the Company's shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and hereby authorised to create, issue, offer and allot upto 15,00,000 (Fifteen Lakhs) Equity Warrants on a preferential basis to Promoter and Promoter group-Directors Relatives with each warrant convertible into Equity Share of the Company of nominal value of Rs.10/- each at a price to be determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (SEBI (ICDR) Regulations) as in force for preferential allotment of Equity Shares/ warrants.

RESOLVED FURTHER that the equity shares issued on conversion of the said warrants shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend with the existing fully paid up equity shares of the Company

"RESOLVED FURTHER THAT the 'relevant date' in relation to the issue of Warrants in accordance with the SEBI ICDR Regulations, would be December 10, 2013, being the date 30 days' prior to the date of passing of this resolution.

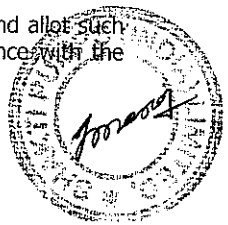
FURTHER RESOLVED THAT the issue of Warrants, if any, as above, shall be subject to the following terms and conditions:

1. Each Warrant shall be convertible into one equity share of Rs.10/- each, of the Company.
2. 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.
3. The Warrant holder(s) shall, on or before the date of allotment, pay an amount equivalent to 25% of the total consideration per Warrant
4. The Warrant holder(s) shall, on or before the date of conversion, pay the balance 75% of the consideration towards the subscription to each equity shares.
5. The amount referred to in (3) above shall be forfeited, if the option to acquire shares is not exercised by the warrant holders.
6. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI Regulations, 2009 for corporate actions such as bonus issue, rights issue, stock split, merger, de-merger, and transfer of undertaking, sale of a division or any such capital or corporate re-structuring
7. The said Warrants and the resultant shares on conversion shall be locked in for a period as prescribed under Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009.
8. The equity shares already held by the proposed allottees shall be under lock-in from the Relevant Date, i.e. December 10, 2013 up to a period of six months from the date of allotment of Warrants
9. The Warrants convertible into equity shares at a later date shall be made fully paid-up at the time of their allotment.

RESOLVED FURTHER that the warrants to be issued as aforesaid shall, on exercise of rights attached thereto, be converted into equal number of equity shares of the Company at Rs 10/- per share at a price including the premium as may be determined, within the Authorised Equity Capital of the Company.

RESOLVED FURTHER that the Board be and is hereby authorised to take necessary steps for listing of the above mentioned Equity Shares on the Stock Exchanges where the Company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of Share Warrants in accordance with the terms of this offer and subject to the provisions of the Company's Memorandum and Articles of Association.



RESOLVED FURTHER that in the event of the Company issuing Bonus and / or rights shares before the aforesaid conversion of share warrants into equity shares, the holder of share warrants / equity shares shall be entitled to the allotment of bonus and / or rights shares proportionately, so however, the warrant holder would be entitled to the said bonus and / or rights shares only upon conversion of warrants into shares.

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of Warrants and equity shares on conversion, to effect any modification(s) to the foregoing (including any modification to the terms of the issue) in the best interest of the Company and its shareholders and to execute all such writing(s) and instrument(s) as the Board may in its absolute discretion deem necessary or desirable."

Notes

1. A member entitled to attend and vote at this EGM may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the EGM.
2. The explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of special business set out above, is annexed hereto
3. Members are requested to notify immediately any change in their addresses, to the Company and those who are holding their shares in depository mode are requested to notify to their respective Depository Participants (DPs)
4. Members are requested to bring the Notice of EGM to the Meeting. Members are requested to bring the attendance slip with them duly filled in and hand over the same at the entrance of the meeting hall.

Explanatory statement pursuant to Section 102 of the Companies Act, 2013

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated December 11, 2013 and shall be taken as forming part of the notice.

Introduction

To meet the funds requirement for the proposed capital expansion plan as stated above, it is proposed to raise finances through issue of 15,00,000 Warrants (Fifteen Lakhs warrants only) at Rs.80/- (Rupees Eighty only) per warrant, convertible into equity shares on a preferential basis to Promoters / including Persons Acting in Concert with them (PAC) and Other Investors or Select Group of Persons.

The equity shares of Rs.10/- (Rupees Ten) each are being offered at a premium of Rs.70/- (Rupees Seventy only) per share.

The following disclosure is made by the Company in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

➤ The object of the issue:

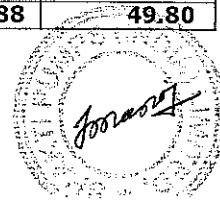
To finance the proposed capital expenditure plans and also to meet the fund requirement including but not limited to investment for meeting its long-term business requirements, funding ongoing capital expenditure plans, meeting working capital requirements for the proposed / existing projects, and to meet issue related expenditure.

➤ Intention of the Promoters / PAC / Directors / Key Management Persons to subscribe to the offer:

Promoters/Directors/Key management persons intends to subscribe to this offering.

➤ Shareholding pattern before and after the offer:

Category code	Category of Shareholder	Pre-issue as on December 6, 2013		Post-issue	
		Total number of shares	Total shareholding as a percentage of total number of shares	Total number of shares	Total shareholding as a percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group2				
1	Indian				
(a)	Individuals/ HUF	0	0.00	0	0.00
(b)	Central Govt./ State Govt.(s)	0	0.00	0	0.00
(c)	Bodies Corporate	0	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0.00	0	0.00
(e)	Any Others(Specify)				
(e-i)	Directors Relatives	1766000	11.59	3266000	19.51
(e-ii)	Directors	5071688	33.27	5071688	30.29
	Sub Total(A)(1)	6837688	44.86	8337688	49.80

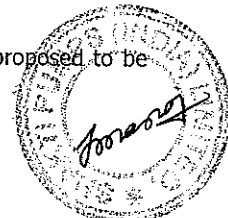


2	Foreign				
A	Individuals (NRI/Foreign Individuals)	0	0.00	0	0.00
B	Bodies Corporate	0	0.00	0	0.00
C	Institutions	0	0.00	0	0.00
D	Qualified Foreign Investor	0	0.00	0	0.00
E	Any Others(Specify)	0	0.00	0	0.00
	Sub Total(A)(2)	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6837688	44.86	8337688	49.80
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	0	0.00	0	0.00
(b)	Financial Institutions / Banks	1597993	10.48	1597993	9.54
(c)	Central Government/ State Government(s)	0	0.00	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0.00	0	0.00
(i)	Any Other (specify)	0	0.00	0	0.00
	Sub-Total (B)(1)	1597993	10.48	1597993	9.54
B 2	Non-institutions				
(a)	Bodies Corporate	3758737	24.66	3758737	22.45
(b)	Individuals				
I	Ind-Hold nominal shr capital upto Rs.1L	2100905	13.78	2100905	12.55
II	Ind-Hold nominal shr capital in excess of Rs.1L	751738	4.93	751738	4.49
(c)	Qualified Foreign Investor	0	0.00	0	0.00
(d)	Any Other (specify)				
(d-i)	Others	0	0.00	0	0.00
(d-ii)	Clearing member	118076	0.77	118076	0.71
(d-iii)	NRIs	78656	0.52	78656	0.47
(d-iv)	NRI Corp Bodies	0	0.00	0	0.00
(d-v)	Foreign Corp Bodies (Including FDI)	0	0.00	0	0.00
(d-vi)	Customers	0	0.00	0	0.00
(d-vii)	Suppliers	0	0.00	0	0.00
(d-viii)	Foreign Nationals	0	0.00	0	0.00
(d-ix)	Trusts	0	0.00	0	0.00
(d-x)	Foreign (Promoters)	0	0.00	0	0.00
(d-xi)	Directors	0	0.00	0	0.00
(d-xii)	Directors Relatives	0	0.00	0	0.00
(d-xiii)	Foreign Individuals (Including FDI)	0	0.00	0	0.00
	Sub-Total (B)(2)	6808112	44.66	6808112	40.66
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	8406105	55.14	8406105	50.20
	TOTAL (A)+(B)	15243793	100.00	16743793	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group	0	0.00	0	0.00
2	Public -	0	0.00	0	0.00
	Sub-Total (C)	0	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	15243793	100.00	16743793	100.00

Note: -

1)The above shareholding pattern has been prepared on the basis of shareholdings as on December 6, 2013.

2)The post-issue shareholding pattern has been arrived on the assumption that the entire 15,00,000 Nos warrants proposed to be issued to Promoter and Promoter group would be converted into equity shares.



ØProposed time limit within which the allotment shall be complete:

The allotment of shares on preferential basis shall be completed within a period of 15 days from the date of shareholders approval provided that where the allotment on preferential basis is pending on account of pendency of any approval by any statutory authority as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the allotment shall be completed within 15 days from the date of such approval.

ØIdentity of the proposed allottees and percentage of post issue capital that may be held:

The percentage of the post-preferential issue capital held by the proposed allottee assuming full conversion of warrants into fully paid equity shares is as under:

Sl. No.	Name of the Proposed Allottee	Category	Pre-Issue no. of Equity Shares / Warrants	Post Issue capital on conversion of Proposed Equity Warrants	% of Holding
1.	Mr. Ankit Patidar	Promoter and promoter group- Directors Relative	Nil	15,00,000	8.96 %

The proposed allottee(s) has not sold any shares during the 6 months period prior to the relevant date.

The aforementioned allotment shall be subject to lock-in provisions contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, for the time being in force.

ØChange in the Control or Composition of the Board

There will neither be any change in the composition of the Board nor any change in the Control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment

ØIssue price and relevant date:

It is proposed to issue, offer and allot up to 15,00,000 Nos. Equity warrants on preferential basis to the Promoter and Promoter group-Directors Relatives with each warrant convertible into one equity share of the Company of nominal value Rs. 10/- at a price of Rs 80/- which includes a premium of Rs.70/- per share, which is in accordance with the SEBI (ICDR 2009) Regulations, and for the purpose of the above Regulations the relevant date is December 10, 2013. The subscriber(s) to warrant shall, on the date of allotment, pay an amount equivalent to 25% of the total consideration per warrant and pay the balance 75% of the consideration towards the subscription to each equity share on the date of conversion. The conversion of warrants into equity shares shall be made in more than one tranches within a period of 18 months from the date of allotment of warrants

ØAuditors' Certificate:

A copy of the certificate of the Company's Statutory Auditor as per SEBI Regulations shall be placed before the Shareholders at the Extra-ordinary General Meeting.

ØShareholders Consent:

Pursuant to the provisions of Section 81(1A) of Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of the equity shares of a company requires prior approval of the shareholders in general meeting by a Special Resolution

Accordingly Directors recommend the special resolution as set out in the Notice submitted to the Meeting

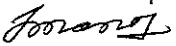
ØInspection of documents

The documents referred to in the notice and a copy of the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company on any working day between 11:00 a.m and 1:00 p.m, and will also be available for inspection at the Extra-ordinary General Meeting.

The proposed resolution is therefore, recommended for your approval

None of the Directors or Key Managerial Personnel or their relatives except Mr. Dinesh Patidar and Mr. Sunil Patidar are interested or concerned in the proposed resolution

For Shakti Pumps (I) Limited,


Manoj Maheshwari
Company Secretary
ACS-24368



By Order of the Board

Dinesh Patidar
(Chairman cum Managing Director)

Place : Pithampur

Date : December 11, 2013