

ANNEXURE TO NOTICE

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

The following statement sets out the material facts concerning the special business to be transacted at the Extraordinary General Meeting

Item No.1

PREFERENTIAL ISSUE AND ALLOTMENT OF EQUITY SHARES

In order to augment the development and expansion of business throughout India, the Company intends to upgrade its technology by entering into technology and joint venture agreement. To achieve this objective the Company decided to enter into a Joint Venture with Guangdong Dynavolt Power Technology Co. Limited. Therefore, the Company is proposing to raise capital by allotment of shares on a preferential basis to Guangdong Dynavolt Power Technology Co. Limited.

Consent of the shareholders is sought for issuing the Equity Shares as stated in the resolution to Guangdong Dynavolt Power Technology Co. Limited, ("Investor"), having its office at Huafu Industry Zone, Lianhe West Rd, Chenghai District, Shantou City, Guangdong Province, China, which shall result in issuance of up to 19,36,000 further equity shares of the Company, on a preferential basis, resulting in an inflow of up to Rs 5,12,45,920 (Rupees Five Crores Twelve Lakhs Forty Five Thousand Nine Hundred Twenty Only) to the Company in accordance with the terms and nature of the Equity Shares to be issued by the Company.

Section 62 of the Companies Act, 2013 and the provisions of the Listing Agreement provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 62 unless the shareholders of the Company in general meeting decide otherwise.

The Resolution, if passed, will have the effect of allowing the Board to issue and allot Equity Shares to the Investor who is not an existing member of the Company. Since the proposed Special Resolution would result in issue of Equity Shares of the Company otherwise than to the members of the Company in the manner laid down under Section 62 of the Companies Act, 2013, consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and all other applicable provisions of the Companies Act, 2013 and the Listing Agreement.

The Equity Shares allotted would be listed on BSE. The issue and allotment would be subject to the availability of regulatory approvals, if any.



In terms of Regulation 73 of SEBI (ICDR) Regulations, 2009 ("Regulations"), the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

A. The Objects of the issue through preferential offer:

To augment the development and expansion of business throughout India, and upgrading of technology. To raise funds in the form of equity capital so as to reduce the borrowing cost and also to enhance the debt/capital raising capacity in order to respond to various opportunities for the further growth of the business of the Company and to leverage such structure to achieve higher growth in terms of revenue and profit and for general corporate purposes.

B. The intention of the Promoters/Directors/Key Management Personnel to subscribe to the offer:

The Preferential Issue is not being made to the Promoters, Directors or Key Management Personnel of the Company and the Promoters, Directors or Key Management Personnel of the Company do not intend to subscribe to the offer.

C. Shareholding Pattern pre and post preferential offer:

The present shareholding pattern and the shareholding pattern assuming full allotment of equity shares are given below:

Entity	No. of Shares (Pre Allotment)	Pre Allotment %	Preferential Allotment	No. of Shares (Post Allotment)	Post Allotment %
Promoter	1425775	23.31	0	1425775	17.71
Promoter Group	960053	15.70	0	960053	11.92
Public Shareholders	3730065	60.99	1936000	5666065	70.37
Total	6115893	100.00	1936000	8051893	100.00

D. Proposed time within which the allotment shall be completed:

As required under Chapter VII of the Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue at the Extraordinary General Meeting or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

E. Identity of the proposed allottees:

The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the proposed allottee is as follows:



Name of Proposed Allottee	Ultimate Beneficial Owner	Pre Issue holding	No. of Shares to be allotted	Issue Price (In Rs.)	Post Issue Holding	% Post Issue Holding
Guangdong Dynavolt Power Technology Co. Limited	Mr. Che Le Wu	Nil	19,36,000	26.47	19,36,000	24.04%

F. Particulars of the Proposed Allottee:

The proposed allottee, is Guangdong Dynavolt Power Technology Co. Limited, (“Investor”), having its office at Huaifu Industry Zone, Lianhe West Rd, Chenghai District, Shantou City, Guangdong Province, China

G. Change in control:

There shall be no change in management or control of the Company pursuant to the issue of equity shares.

H. Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the allottee, up to 19,36,000 Equity shares of face value of Re. 10/each aggregating up to **Rs 5,12,45,920 (Rupees Five Crores Twelve Lakhs Forty Five Thousand Nine Hundred Twenty Only)**, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the Regulations.

I. Auditors certificate:

The Statutory Auditor's certificate, as required under Regulation 73(2) of the Regulations will be made available for inspection at the Registered Office of the Company between 10 a.m. and 1 p.m. on all working days (excluding Saturday and Sunday) up to the date of the meeting.

J. Lock in period:

The proposed allotment shall be subject to lock-in as per requirements of the Regulations.

K. The Company has not made any preferential issue of securities during the current year.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and Chapter VII of the Regulations. The Board of Directors believe that the proposed preferential issue and allotment of Equity Shares is in the best interest of the Company and its members. Your Directors, therefore, recommend the resolution for your approval. None of the Directors/Key Managerial Personnel/their relatives of the Company are in any way concerned or interested in the above referred resolution.



As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchange on which the Equity Shares are listed under the provisions of the Listing Agreement. All the documents referred to in the accompanying Notice and Statement Annexed thereto would be available for inspection without any fee by the members at the Registered Office of the Company during 10:00 A.M. to 1:00 P.M on any working day (excluding Saturday and Sunday) up to the date of the meeting.

Place: New Delhi

Date: June 06, 2015

By order of the Board of Directors



Archana Mishra
Company Secretary
Membership No. 33940

