

IMP POWERS LTD.



Regd Office : Survey No.263/3/2/2, Village Sayli, Umerkoi Road, Silvassa 396230, Dadra & Nagar Haveli (U.T.)

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Extra Ordinary General Meeting of IMP Powers Ltd. will be held on Monday, 19th September 2011 at 3.00 p.m. at the Registered Office of the Company at Survey No.263/3/2/2, Village Sayli, Umerkoi Road, Silvassa 396230, Dadra & Nagar Haveli (U.T.) to transact the following business:

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

"RESOLVED THAT pursuant to the provisions of Sections 16 & 94 and other applicable provisions, if any of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby re-classified from Rs.34,00,00,000 (Rupees Thirty four crores only) consisting of 1,20,02,000 Equity Shares of Rs.10/- each, 30,00,000 Preference Shares of Rs.10/- each and 11,80,000 (Eleven lacs eighty thousand) Compulsory Convertible Preference Shares (CCPS) of Rs.161/- into 2,76,70,000 Equity Shares of Rs.10/- each and 63,30,000 Preference Shares of Rs.10/- each by way of:

1. Cancellation of 11,80,000 Compulsory Convertible Preference Shares of Rs.161/- each aggregating to Rs.18,99,80,000/- (Rupees Eighteen crores ninety nine lacs eighty thousand only) from the Authorised Share Capital and,
2. Simultaneously increasing :
 - a) Equity Share Capital from 1,20,02,000 equity shares of Rs.10/- each aggregating to Rs.12,00,20,000/- (Rupees Twelve crores twenty thousand only) to 2,76,70,000 Equity Shares of Rs.10/- each aggregating to Rs.27,67,00,000/- (Rupees Twenty seven crores sixty seven lacs only) and
 - b) Preference Share Capital from 30,00,000 (Thirty lacs) preference shares of Rs.10/- each aggregating to Rs.3,00,00,000/- (Rupees Three crores only) to 63,30,000 (Sixty three lacs thirty thousand) Preference Shares of Rs.10/- each aggregating to Rs.6,33,00,000/- (Rupees Six crores thirty three lacs only)"

"RESOLVED FURTHER THAT consequently the Clause V of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting the following new Clause V in lieu of existing Clause V thereof:

V. The Authorised Share Capital of the Company is Rs. 34,00,00,000/- (Rupees Thirty four crores only) divided into 2,76,70,000 (Two crores seventy six lacs seventy thousand) Equity shares of Rs.10/- each and 63,30,000 (Sixty three lacs thirty thousand) Preference Shares of Rs.10/- each. The Company shall have power to increase or reduce or consolidate or sub-divide the capital of the Company from the time being and from time to time divide the shares of the new capital into several classes and denomination and to issue any shares of the original or new capital of the Company for the time being with such privileges or conditions attached thereto respectively including rights to dividends in the distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to provisions of the Companies Act, 1956 of the time being."

"RESOLVED FURTHER THAT Shri Ajay R Dhoot, Managing Director or Shri Aaditya R Dhoot, Jt. Managing Director be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution."

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

"RESOLVED THAT in pursuance to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby altered by substituting the following new Article 3:

3) The Authorised Share Capital of the Company is Rs. 34,00,00,000/- (Rupees Thirty four crores only) divided 2,76,70,000 (Two crores seventy six lacs seventy thousand) Equity Shares of Rs.10/- each and 63,30,000 (Sixty three lacs thirty thousand) Preference Shares of Rs.10/- each.

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

"RESOLVED THAT pursuant to the provisions of Section 80, 81, and 81 (A), and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment(s), modification or re-enactment thereof) (hereinafter referred to as "the Act"), and subject to the enabling provisions of the Memorandum and Articles of Association of the Company, in accordance with the rules, regulations and guidelines prescribed by the Securities and Exchange Board of India ("SEBI") wherever required or any other relevant authority and clarifications thereon issued from time to time, if any, and subject to all such other approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, 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 constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board of Directors to issue 3326214, 1% Cumulative Redeemable Preference Shares of Rs.10/- each on preferential basis redeemable in 3 half yearly installments to the lenders under CDR Scheme being 75% of the total recompense amount of Rs.443.50 lacs as confirmed by CDR EG vide its Letter No. BY.CDR(PM) No.2595/2011-12 dated 23rd July 2011 and as accepted by all the lenders under CDR Scheme for exit from CDR:

Sr. No.	Name of the Lender	No. of Preference Shares
1.	Stressed Assets Stabilisation Fund	877350
2.	State Bank of Hyderabad	681087
3.	SBI Commercial & International Bank of India (Now SBI)	370556
4.	Bank of India	602250
5.	State Bank of India	490927
6.	Karnataka Bank Limited	304044
	Total	3326214

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"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this resolution and to settle any questions, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the said cumulative redeemable preference shares to the lenders under CDR Scheme and to take such actions or give such directions as they may consider as being necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as they may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to accept such amendments, modifications, variations and alterations as the GOI/SEBI/RBI/BSE or any other regulatory authority may stipulate in this matter."

NOTES :

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote thereat instead of himself. A proxy need not be a member of the company. Proxies in order to be effective must be received by the Company at the registered office at least 48 hours before the commencement of the meeting. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting.
- b) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to business under item nos. 1 to 3 as set out above is annexed hereto.

Regd.Off.:
263/3/2/2, Sayli Village, Umerkoi Road,
Silvassa 396 230

By Order of the Board

Ramniwas R Dhoot
Chairman

Place : Mumbai
Date : 9th August 2011

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956****ITEM NO. 1 & 2****Reclassification of Authorised Share Capital of the Company and consequently alteration of Memorandum and Articles of Association of the Company**

Corporate Debt Restructuring (CDR) Cell had vide its Letter No. BY.CDR(PM) No.2595/2011-12 dated 23rd July 2011 approved the recompense amount for the Company for exit from CDR. Pursuant to the terms and conditions of the abovementioned letter, it is necessary to issue 3326214, 1% Cumulative Redeemable Preference Shares of Rs.10/- each to the lenders under CDR Scheme as proposed in the Resolution No.3 of this Notice being the 75% of the recompense amount as confirmed by CDR EG. At present, there is no plan to increase Authorised Share Capital of the Company. Your Company proposes to re-classify the Authorised Share Capital in the manner provided in the Resolution at Item No.1 above without affecting the total Authorised Share Capital of the Company.

Consequent to the re-classification of the Authorised Share Capital, it is necessary to alter Clause V of the Memorandum of Association of the Company and Article 3 of the Articles of Association of the Company.

The Resolution as set out in Item No.1 of this Notice is proposed as Ordinary Resolution as required under Section 94 and the Resolution as set out in Item No.2 of this Notice is proposed as Special Resolution as required under Section 31 of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in this resolution.

Item No.3**Issue of 3326214, 1% Cumulative Redeemable Preference Shares of Rs.10/- each to the lenders under CDR Scheme.**

Your Company is pleased to inform you that Corporate Debt Restructuring (CDR) Cell had vide its Letter No. BY.CDR(PM) No.2595/2011-12 dated 23rd July 2011 approved the recompense amount for the Company for exit from CDR. Pursuant to the said letter and as accepted by the lenders under CDR Scheme, it is necessary to issue 3326214 1% Cumulative Redeemable Preference Shares of Rs.10/- each on preferential basis to the lenders under CDR Scheme in the manner provided in Resolution No.3 being the 75% of the recompense amount approved by CDR EG.

Section 81 (1A) of the Companies Act, 1956 provides, inter alia, that whenever 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, unless the shareholders in general meeting decide otherwise by passing a special resolution. Hence, consent of the shareholders by way of Special Resolution is being sought, pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Act.

The Board of Directors recommends the resolution for your approval in the best interest of the Company.

None of the Directors of the Company is concerned or interested in this resolution.

Regd.Off.:
263/3/2/2, Sayli Village, Umerkoi Road,
Silvassa 396 230

By Order of the Board

Ramniwas R Dhoot
Chairman

Place : Mumbai
Date : 9th August 2011