

**WORKS :**

- F - 79 / 80, MIDC Ambad, Nashik - 422 010, INDIA.
  - H - 101 / 102, MIDC Ambad, Nashik - 422 010, INDIA.
  - E - 65 / E - 65 - 1, MIDC Ambad, Nashik - 422 010, INDIA.
  - C - 2, MIDC, Chakan, Pune - 410 501, INDIA.
  - AV - 27, Sanand-II, GIDC, Bol Industrial Estate, Sanand Ahmedabad - 382170.
  - Survey No. 6/1, Nagar Palika Pithampur, Dist Dhar, MP.
- Tel.: +91 - 253 - 2385262 / 3918545  
Email : sales@reliableautotech.com  
Website: www.reliableautotech.com  
CIN No. U74994MH1996PTC101050

**NOTICE OF EXTRA-ORDINARY GENERAL MEETING**

Notice is hereby given that an Extra - Ordinary General Meeting of the Members of Reliable Autotech Private Limited will be held on Tuesday, 29<sup>th</sup> January, 2019 at the Registered Office of the Company at Plot No. F-80, MIDC, Ambad, Nashik - 422010 at 11.30 a.m. to transact the following business as:

**SPECIAL BUSINESS:****Item No. 1: Approval for the Buy-back of Equity Shares of the Company**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to Article 104 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter called the “Act”), the Companies (Share Capital and Debenture) Rules, 2014, as amended and any statutory modification(s) or re-enactment thereof, for the time being in force and subject to such other approvals, permissions and sanctions, as applicable, consent of the members of the Company, be and is hereby accorded to buy-back 12,56,000 fully paid-up equity shares of the face value of Rs. 10/- each at a price of Rs.142.50/- per share including premium of Rs.132.50/- per share, aggregating to Rs.17,89,80,000/- ( Rupees Seventeen Crores Eighty Nine Lakhs Eighty Thousand only) out of the Paid-up Equity Capital, Free Reserves and Securities Premium of the Company which does not exceed 25% of the aggregate of paid-up Share Capital, free reserves and Securities Premium Account of the Company as per the un-audited condensed financial statements of the Company for the six months period ended on 30<sup>th</sup> September, 2018.

**RESOLVED FURTHER THAT** the Company shall first utilize in full its securities premium account and then for balance utilize its free reserves for the purpose of buy-back.

**RESOLVED FURTHER THAT** the offer of buy-back shall remain open for a period of Six (6) Days which shall commence from Saturday, 2<sup>nd</sup>, February, 2019 at 10:00 A.M. till Thursday, 7<sup>th</sup>, February, 2019 at 6:00 PM.

**RESOLVED FURTHER THAT** Mr. Devendra D. Bapat, Director of the Company, Mr. Amol B. Chitnis, Director and Mr. Rajendra Bagwe, Director, be and are jointly and severally hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, for the implementation of the buy-back including allowing members to



offer their entire/part holding even though exceeding the offer made for buy-back individually, carrying out incidental documentation as also to make applications to the appropriate authorities for requisite approvals and to initiate all necessary actions for preparation and issue of various documents, opening of separate bank account, including finalizing letter of offer, extinguishment of share certificates and 'Certificate of Extinguishment' required to be filed in connection with the Buy-back on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the buy-back to the Registrar of Companies, Mumbai and / or other authorities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the buy-back, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buy-back without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

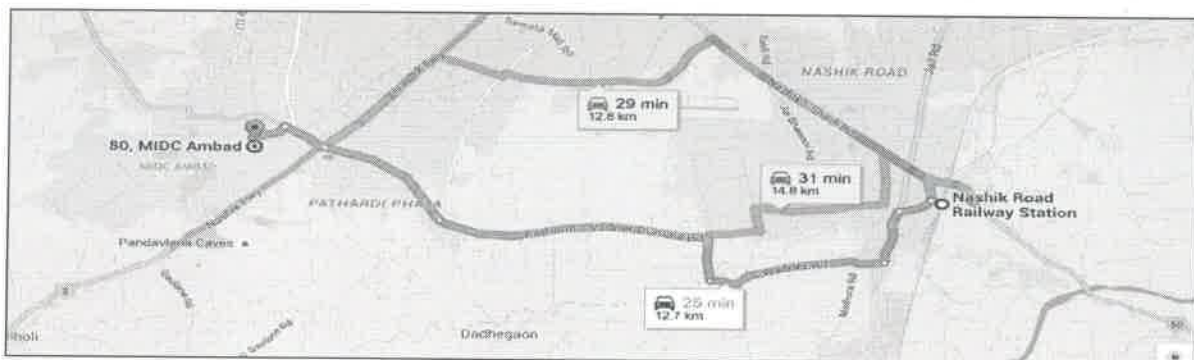
**By and on behalf of the Board,  
For Reliable Autotech Private Limited**

**Devendra Dattatray Bapat  
Director  
(DIN: 00129623)  
Add: Manas, Chintamani Colony,  
Savarkar Nagar, Gangapur Road,  
Nashik 422013**

**Place: Nashik  
Date: 25<sup>th</sup> January, 2019**

**NOTES:**

1. The explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposals are annexed herewith.
2. A member entitled to attend and vote at the Extra-Ordinary General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten 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 a proxy for any other person or shareholder.
4. The Instrument appointing the Proxy must be filled, stamped, duly signed and deposited at the Registered Office of the Company before the commencement of the Meeting.
5. Members are requested to bring their Attendance Slip while attending the Meeting.
6. Members are requested to quote their Folio Number and contact details such as email address, contact number and complete address in all correspondences with the Company.
7. All the documents referred to in accompanying notice and explanatory statement shall be open for inspection at the Registered office of the Company without any fee on all working days between 10:00 a.m. and 6:00 p.m. from the date of dispatch of notice upto the date of Extra-Ordinary General Meeting.
8. Route map to the venue of the meeting is given in the Notice.



**By and on behalf of the Board,  
For Reliable Autotech Private Limited**

  
Devendra Dattatray Bapat

Director

DIN: 00129623

Add: Manas, Chintamani Colony, Savarkar  
Nagar, Gangapur Road, Nashik 422013

Place: Nashik

## WORKS :

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  - C - 2, MIDC, Chakan, Pune - 410 501, INDIA.
  - Gat No - 448/4/1, Village Nighoje, Chakan, Talawade Road, Tal : Khed, Dist : Pune - 410501, INDIA.
  - AV - 27, Sanand-II, GIDC, Bol Industrial Estate, Sanand Ahmedabad - 382170.
  - Survey No. 6/1, Nagar Palika Pithampur, Dist Dhar, MP.
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Date: 25<sup>th</sup> January, 2019

## **Explanatory Statement to the Notice convening the Extra-Ordinary General Meeting to be held on Thursday, 29<sup>th</sup> January, 2019**

[Pursuant to Section 68 of the Companies Act, 2013 read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014]

### **Item No. 1: Approval for the Buy-back of Equity Shares of the Company**

The proposed buy-back is more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it is necessary to obtain the consent of the shareholders of the Company, to the buy-back, by way of a Special Resolution. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the Special Resolution.

Requisite details relating to the buy-back are given below:

#### **a) Necessity / Objective of the Buy-back**

Members are aware that the Promoters of the Company and the Company had entered into a Shareholders Agreement with M/s. BTS India Private Equity Fund Limited (BTS) on 25th May, 2007. Accordingly, BTS made an investment of about Rs.20 Crores into the company by acquiring 16,67,000 equity shares of the face value of Rs.10 each at a premium of Rs.110/- per share for 17.61% equity stake in the Company. With this investment, the Company has been able to grow its asset base and turnover base, but on account of fluctuating economic situation, especially for automobile sector during the last few years, the Company could not achieve the desired results. As a result of this, the shares of the Company could not be listed on the Stock Exchanges to give an exit option to the investor as agreed nor the promoters of the Company were in a position to purchase the entire shares of BTS.

On account of such a situation, BTS issued "Put Option" notice in March 2015, on the promoters of the Company pursuant to the shareholders agreement.



Thereafter, the promoters had been in constant dialogue/ discussion with the investor to find a way, whereby BTS could amicably exit. Efforts were made to consider giving an exit option to the investor by offering for Buyback in 2016. However, the Company could not pursue with the Buyback Offer due to Statutory Limitations of the Companies Act, 2013.

In view of the inability of the promoters to give an exit option to BTS, BTS invoked arbitration clause of the Share Subscription and Shareholders Agreement dated 25<sup>th</sup> May, 2007 and initiated arbitration proceedings against the company and promoter Directors namely Mr. Devendra Bapat, Mr. Amol Chitnis and Mr. Rajendra Bagwe. The matter has been pending before the Arbitration Tribunal. In the interest of the company and its stakeholders, the Promoters and BTS again negotiated for settlement prior to the "Award" and have agreed for a total consideration of Rs.23.75 Crores as "Exit Price" for their entire shareholding. Accordingly, all concerned parties signed consent terms on 12<sup>th</sup> December, 2018. Based on the same, the Arbitration Tribunal pronounced award on 9<sup>th</sup> January, 2019. As per the said award, the company and its promoters have to acquire BTS entire shareholding by way of buy-back to the extent permissible and balance to be purchased by the Promoters. Accordingly, the proposed offer for buy-back has been decided by the Board of Directors.

The offer and its acceptance includes purchase price of Rs.142.50/- per equity Share and to be concluded in the form of Buy-Back by the company to the extent permissible i.e. 12,56,000 equity shares and balance of 4,11,000 equity shares, promoters to acquire from BTS individually and in equal ratio by way transfer of shares.

**b) Classes and Number of Shares intended to be purchased under the Buy-back**

The Company proposes to buy-back upto 12,56,000 Equity Shares of Rs. 10/- each representing 13.27% of the pre-buyback equity shares of the Company.

**c) Method to be adopted for the Buy-back**

The Buy-back offer shall be on a proportionate basis from all the shareholders holding Equity Shares of the Company as on the Cut-Off date i.e. 24<sup>th</sup> January, 2019. The Buy-back will be implemented in accordance with the Act and relevant Rules, to the extent applicable and on such terms and conditions as may be deemed fit by the Company.



In due course, each shareholder, holding Equity Shares as on the Record Date, will receive a letter of offer along with a form indicating the entitlement of the shareholder for participating in the Buy-back.

Based on the holding of Equity Shares on the Record Date, the Company will determine the entitlement of each shareholder to give their shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Cut-Off Date and the ratio of Buy-back applicable in the category to which such shareholder belongs.

Shareholders' participation in Buy-back will be voluntary. Shareholders holding Equity Shares can choose to participate and get cash in lieu of shares to be accepted under the Buy-back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buy-back, without additional investment.

Subject to approval of all the Shareholders, the Buy-back shall remain open for a fixed period of Six (6) days. During the Offer Period, all eligible shareholders who wish to participate in the Buy-back must return their Equity Shares. Upon closing of the Buy-back, the Company will finalize the allocation to each eligible shareholder who validly bought back Equity Shares.

A shareholder may return less than, equal to or greater than such shareholder's entitlement. Shareholders, who return up to their respective entitlement, will have their Equity Shares accepted. Shareholders holding Equity Shares of the Company may also have the option of returning additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any. The maximum number of Equity Shares that can be returned under the Buy-back by any shareholder cannot exceed the number of Equity Shares held by such shareholder as on the Cut-off Date.

The Equity Shares returned will be accepted as per the procedure laid down in Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014, including any amendments thereof. The said rules require that payment for bought back Equity Shares be made within seven days of the verification of the Buy-back offer. The Equity Shares validly returned and purchased by the Company will be extinguished within seven days of the last date of completion of the Buy-back.



Detailed instructions for participation in the Buy-back as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the shareholders holding Equity Shares of the Company as on the Cut-Off Date.

**d) The buyback price and basis of arriving at buy-back price**

The Equity Shares of the Company are proposed to be bought back at a price of Rs.142.50/- (Rupees One Hundred and Forty Two and Paise Fifty only) per Equity Share ("Buyback Price"). The basis of buy-back price is as per Share Valuation Report received from Arihant Capital Markets Limited, Merchant Banker, dated 23<sup>rd</sup> January, 2019.

**e) Maximum amount to be paid for buy-back**

The Board of your Company has proposed a maximum limit of Rs.17,89,80,000/- for the Buyback of shares. This represents 24.89% of the aggregate paid up equity share capital, free reserves and Securities Premium of the Company, which is marginally lower than the maximum permissible limit of 25%.

**f) Sources of funds for the buyback**

The funds for the implementation of the proposed Buy-back will be sourced out of the free reserves of the Company (including securities premium account) and internal accruals. The secured lenders to the Company viz, TJSB Sahakari Bank Ltd and State Bank of India have given NOC to the Company to buy back the shares stipulated herein and effect change in share capital and shareholding pattern of the Company.

**g) The time limit for completing the buy-back**

The buy-back is proposed to be completed within 12 months from the date of Special Resolution approving the proposed buy-back.

**h) Compliance with Section 68(2)(c) of the Act**

The paid-up equity share capital and free reserves (including Securities Premium Account) as per the Unaudited Condensed Financial Statements as on 30th September, 2018 is Rs. 9,46,70,000/- and Rs. 62,43,94,731/- respectively. Under the provisions of the Act, the funds deployed for the Buy-back



cannot exceed 25% of the total paid-up equity share capital and free reserves of the Company i.e. Rs.17,97,66,183/-. The maximum amount proposed to be utilized for the Buy-back is upto Rs.17,89,80,000/- and is therefore within the limit of 25% of the Company's total paid-up equity capital, free reserves and Securities Premium as per the un-audited condensed Financial Statements for the six months period ended 30<sup>th</sup> September, 2018.

Further, under the Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 12,61,517 Equity Shares. Since the Company proposes to buy-back up to 12,56,000 Equity Shares, the same is within the aforesaid 25% limit. The auditors of the Company have carried out a "Limited Review" of the un-audited condensed financial statements of the company for 6 months period ended 30<sup>th</sup> September 2018.

**i) The aggregate shareholding of the Promoters, the directors of the Promoter where Promoter is a Company and of Directors and Key Managerial Personnel of the Company as on the date of this Notice**

**(i) The aggregate shareholding of the Promoters**

Promoters hold 82.39% paid-up share capital of the Company.

**(ii) The aggregate shareholding of the directors of the Promoter where Promoter is a Company:**

The Company does not have any promoter Company.

**(iii) The aggregate shareholding of the Directors and Key Managerial Personnel of the Company:**

Sr. No.	Name	Designation	No. of Shares held	% of Shareholding
1.	Mr. Devendra D. Bapat	Director	2400000	25.35%
2.	Mr. Amol B. Chitnis	Director	2400000	25.35%
3.	Mr. Rajendra Bagwe	Director	2400000	25.35%
<b>Total Number of Shares held</b>			<b>7200000</b>	<b>76.05%</b>

The Company is not required to appoint any Key Managerial Personnel.





- j) **The aggregate number of equity shares purchased or sold by persons mentioned above during a period of 12 months preceding the date of Board meeting at which the buyback was approved and from that date till the date of notice convening the general meeting**

No Equity Shares of the Company have been purchased / sold by any shareholder of the Promoter / Promoter Group, Directors and Key Managerial Personnel of the Company during the period from twelve months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Notice.

- k) **The quantum of shares proposed to be tendered by the Promoters and Directors of the Company**

The promoters do not propose to offer any shares under the Buy-Back of Shares Offer

- l) **The details of transactions and holdings of the Promoters and Directors for the last 12 months prior to the date of board meeting at which buyback was approved including information of number of shares acquired, the price and date of acquisition:**

The Promoters holding as on the Cut-Off date and during the last 12 months is as follows :

<b>Sr. No.</b>	<b>Name of Promoters</b>	<b>Number of Equity Shares held by Promoters</b>
1.	Devendra Bapat	2400000
2.	Amol Chitnis	2400000
3.	Rajendra Bagwe	2400000
4.	Seema Bapat	200000
5.	Gauri Chitnis	200000
6.	Shailaja Bagwe	200000
	<b>Total Number of Shares</b>	<b>78,00,000</b>



During the period of 12 months preceding the date of the board meeting, the Promoters have not acquired any shares nor have they sold/ transferred any shares.

**m) Confirmation as required under Rule 17 (1) of the Companies (Share Capital and Debentures) Rules, 2014**

- (i) The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking Company.
- (ii) The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
- That immediately following the date of the Board meeting held on 24<sup>th</sup> January, 2019 and the date of passing of the shareholders' resolution approving the Buy-back, there will be no grounds on which the Company can be found unable to pay its debts;
  - That as regards the Company's prospects for the year immediately following the date of the Board meeting held on 24<sup>th</sup> January, 2019 as well as the year immediately following the date of passing of the shareholders' resolution approving the Buy-back, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting approving the Buy-back held on 24<sup>th</sup> January, 2019 as also from the date of the this Resolution;
  - In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act.




- n) **Report addressed to the Board by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:**

The Report dated 18<sup>th</sup> January, 2019 received from **B.S.R. & Co. LLP**, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is enclosed herewith.

- o) **General obligations of the Company as per the provisions of the Act read with Rules:**

- i. The Company shall not issue fresh shares or other specified securities (including employee stock options / incentives) till the date of closure of the Buy-back, whether by way of bonus issue or in the discharge of subsisting obligations;
- ii. The Company shall not make further issue of the same kind of equity shares or other specified securities within a period of six months after the completion of the Buy-back except by way of bonus shares or equity shares issued to discharge subsisting obligations;
- iii. The Special Resolution approving the Buy-back will be valid for a maximum period of one year from the dates of passing of the said Special Resolution. The exact time table for the Buy-back shall be decided by the Board within the above time limits;
- iv. The Equity Shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
- v. The Company shall not withdraw the Buy-back after the offer to Buy-back is made;

**By and on behalf of the Board,  
For Reliable Autotech Private Limited**

  
**Devendra Dattatray Bapat**  
**Director**  
**(DIN: 00129623)**  
**Add: Manas, Chintamani Colony, Savarkar**  
**Nagar, Gangapur Road, Nashik 422013**

**Place: Nashik**  
**Date: 25<sup>th</sup> January, 2019**