



Ontrack Systems Limited

Corporate Office : Ontrack House, Plot Y-18, EP Block, Sector V, Salt Lake, Kolkata - 700 091, India
Phone: +91-33-2357 2555/2556/2560, Fax: 2357 2564, www.ontrackindia.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of the Company will be held on Wednesday, the 14th Day of May, 2010 at 11.30 a.m. at International Club Conference Room, 42A, Shakespeare Sarani, Kolkata-700 017 to transact the following business:

ITEM NO.1

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

“RESOLVED THAT in accordance with the provisions of Sections 16, 95, 97 and other applicable provisions, if any, of the Companies Act, 1956, Authorized Capital be increased from the existing Rs.20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 Equity Shares of Rs.10/- each to Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 Equity Shares of Rs.10/- each by creation of an additional Rs. 5,00,00,000 /- (Rupees Five Crore Only) divided into 50,00,000 Equity Shares of Rs.10/- each.”

ITEM NO.2

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

“RESOLVED THAT Clause V of the Memorandum of Association of the Company be and is hereby amended by substituting the following Clause V:

V. The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 Equity Shares of Rs.10/- each with power to increase or reduce the Capital of the Company and so divide the Shares in the Capital for the time being into several classes and attach thereto respectively such preferential, qualified or conditions in such manner as may be for the time being provided by regulations of the Company and also the Companies Act, 1956.”

ITEM NO.3

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

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI (ICDR) Regulations, 2009”) as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to create, offer, issue and allot from time to time in one or more tranches, upto

..1..



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102,00,000 (One Crore Two Lacs Only) equity shares at a price of Rs. 12/- per equity share, including premium of Rs. 2/- per equity share, on preferential basis in compliance with Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments thereto & on such terms and conditions and in such manner as the Board may in its absolute discretion deem fit, to the following persons/entities as mentioned below:

Sr No	Name of the Proposed Allottees	No of Equity shares to be allotted	Allottee is : QIB / MF / FI / Trust / Banks
Promoter & Promoter Group :			
1.	B Hari	12,00,000	No
2.	RP Infosystems Pvt. Ltd	90,00,000	No
	Total	102,00,000	

RESOLVED FURTHER THAT:

- (i) The relevant date for the purpose of pricing of issue of the shares in accordance with the SEBI (ICDR) Regulations, 2009 be fixed as 14th April, 2010 being the 30th day prior to 14th May, 2010 i.e., the date on which the Extra ordinary General Meeting of the shareholders is convened, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed preferential issue.
- (ii) The Equity Shares allotted in terms of this resolution shall rank *pari passu* in all respects with the existing Equity Shares of the Company.
- (iii) The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of equity shares, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of shares of the Company, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of equity shares of the Company as it may in its absolute discretion deem fit and proper”.

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 or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to this resolution.”

Place: Kolkata

Date : 12.04.2010

**By Order of the Board
For Ontrack Systems Limited**

Sd/-

S. V. Ramani

Whole-time Director & Secretary

Notes:

1. The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956, is annexed herewith and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY.**



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3. The Instrument appointing a Proxy must be lodged at the Registered Office of the Company at least 48 hours prior to the time of the meeting.
4. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays upto the date of EGM .
5. M/s. Goenka Shaw & Co., Chartered Accountants, Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the prescribed SEBI Guidelines on preferential issues. A copy of the said certificate is available for inspection by the shareholders at the Registered Office of the Company on all working days except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto the date of the Extraordinary General Meeting and at the extra Ordinary General Meeting..
6. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the slip at the entrance to the place of the Meeting.
7. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
8. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Extra Ordinary General Meeting.

Explanatory Statement and reasons for proposed resolutions pursuant to Section 173(2) of the Companies Act, 1956, and forming part of the Notice convening the Extra Ordinary General Meeting of the Company.

ITEM No. 1 to 2:

The Company intends to issue Equity share to strengthen the operations and capital base of the Company. This will necessitate increasing the authorized capital of the company. The present Authorised Capital of Rs.20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 Equity Shares of Rs.10/- each to Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 Equity Shares of Rs.10/- each by creation of an additional Rs. 5,00,00,000 /- (Rupees Five Crore Only) divided into 50,00,000 Equity Shares of Rs.10/- each. The Capital Clause of MOA and AOA of the company be altered accordingly pursuant to section 16 and 31 read with section 94, 97 of the Companies Act, 1956 and requires members consent.

Your Directors recommend the proposed resolution giving effect to the above amendments for your approval. None of the Director is interested/concerned in the resolution except as the members of the Company.

ITEM NO.3: PREFERENTIAL ALLOTMENT UNDER SECTION 81 (1A):

As per Section 81(1A) of the Companies Act, 1956 approval of shareholders in the General Meeting is required for allotment of Shares on preferential basis and hence the resolution is placed before the Shareholders.

The purpose of the proposed issue as mentioned above, is to achieve long term plans of the Company and to meet the funding requirements including but not limited to investment for meeting its business requirements, funding ongoing capital expenditure and/or for the repayment of its long term debts and working capital requirements in order to improve its project capacity and enhance infrastructure facilities. The proceeds of the proposed issue may be utilized for any of the aforesaid purposes to the extent permitted by law. For this purpose as may be decided by the Board from time to time in the best interest of the Company, it is proposed to issue upto 102,00,000 (One Crore Two Lacs Only) of Rs.10/- each of the Company at a price of Rs. 12/- (Rupees Twelve Only) per share [including a premium of Rs. 2/- (Rupees Two Only)] per share on preferential basis .



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The necessary information pertaining to the proposed preferential allotment in terms of the Regulation 73(1) of SEBI (ICDR) Regulations, 2009 are set out as below:

a) Object/s of the issue:

The proposed preferential allotment of shares is made to meet the funding requirements including but not limited to investment for meeting its business requirements, funding ongoing capital expenditure and/or for the repayment of its long term debts and working capital requirements in order to improve its project capacity and enhance infrastructure facilities.

b) Intention of Promoters/ Directors/ Key Management Persons to subscribe to the offer:

Mr. B. Hari, present Promoter and RP Info systems Pvt. Ltd, being inducted as Co-promoters (collectively known as “Acquirers”) of the Company, shall be fully subscribing to the present issue of equity shares on preferential basis.

Except the above, there is no intention of the any other Promoters, Directors and Key Management Persons of the company to subscribe to the present preferential issue.

c) Shareholding Pattern before and after the Issue: The shareholding pattern before and after the offer (without considering other proposed issues, if any) would be as under**(based on the shareholding pattern as on 31st March, 2010)**

Class of Shareholders	Pre Preferential Issue		Post Preferential Issue	
	No of Shares	%	No of Shares	%
Promoters & Promoter Group				
a. Indian Promoters				
(i) B.Hari	18,95,045	20.73	30,95,045	16.00
(ii) RP Infosystems	Nil	Nil	90,00,000	46.53
(iii) Others	6,20,742	6.79	6,20,742	3.21
b. Foreign Promoter	Nil	Nil	Nil	Nil
(1) Total for Promoter Group	25,15,787	27.52	1,27,15,787	65.74
Public Shareholdings				
Institutional	Nil	Nil	Nil	Nil
Non Institutional				
Bodies Corporate	27,45,950	30.04	27,45,950	14.20
Individual	36,92,303	40.39	36,92,303	19.09
Any Other (clearing members, etc)	16,422	0.18	16,422	0.08
NRI/Foreign Company/National etc	1,71,543	1.87	1,71,543	0.89
(2) Total Public Shareholdings	66,26,218	72.48	66,26,218	34.26
Total (1 + 2)	91,42,005	100.00	193,42,005	100.00



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d) Consequential Changes in the Voting Rights :

Voting rights will change in tandem with the shareholding pattern.

e) Proposed time within which the allotment shall be completed:

The Board proposes to allot equity shares within a period of 15 days from the date of passing of the resolution by the shareholders in the Extra Ordinary General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval or permission for such allotment by any regulatory authority or the Central Government, the period of fifteen days shall be counted from the date of such approval or permission.

f) Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

Sr. No.	Name of the Proposed Allottees	No of Equity Shares held prior to the Preferential Allotment	No of Equity shares to be issued	No. and % of Post Issue Equity and Voting Share Capital
1.	B Hari	18,95,045	12,00,000	30,95,045 (16.00%)
2.	RP Infosystems Pvt. Ltd	Nil	90,00,000	90,00,000 (46.53%)
	Total	18,95,045	102,00,000	12,095,045 (62.53%)

g) Lock in Period:

The aforesaid allotment of equity shares arising shall be locked in as per the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009.

Further, the entire Pre-Preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of the allotment of Equity Shares.

h) Change in the control or composition of the Board:

Subsequent to the proposed issue of Equity Shares on preferential basis, there will be a change in control of the Company as to extent that the company shall be jointly managed by the Existing Promoters and newly inducted Co Promoters. There will also be a corresponding change in the shareholding pattern as well as voting rights consequent to the preferential allotment of equity shares.

i) Pricing of the issue:

The shares are proposed to be allotted on preferential basis at a price of Rs. 12/- per share including premium of Rs. 2/- per share.



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j) Auditor's Certificate:

A copy of the certificate issued by Statutory Auditors of the Company M/s Goenka Shaw & Co. Chartered Accountants, certifying that the issue of the Equity shares is being made in accordance with the requirement of SEBI (ICDR) Regulations, 2009 for Preferential Issues, is available for inspection by the shareholders at the Registered Office of the Company on all working days except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto to the date of the Extraordinary General Meeting and at the extra Ordinary General Meeting.

k) Undertakings:

- (i) The Issuer Company undertakes that they shall re-compute the price of the Equity shares in terms of the provision of SEBI (ICDR) Regulations, 2009, where it is required to do so.
 - (ii) The Issuer Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in terms of the provision of SEBI (ICDR) Regulations, 2009, the Equity Shares shall continue to be locked-in till the time such amount is paid by the allottees.
- l) Any of the equity shares that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity/investor, on the same terms and conditions.**

The afore mentioned preferential issue of equity shares shall enhance the promoter's shareholding in the company **from 27.52%** of the pre-preferential shareholding **to 65.74%** of the Post Preferential shareholding which shall be in excess of the creeping acquisition limit allowed under Regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("**the Regulations**") and therefore requiring them to make an Open Offer to the public Shareholders to acquire from them a minimum of 20% of the post preferential equity share capital, in the manner and at a price to determined in compliance with the the Regulations. The Open Offer made by the acquirers shall provide an exit opportunity to the Public shareholders of the company.

The consent of the Shareholders is being sought pursuant of Section 81(1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed

None of the Directors of the Company is, in any way, concerned or interested in the resolution except promoter directors to the extent of their shareholdings. The Board recommends the Resolutions for your approval.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

**By Order of the Board
For Ontrack Systems Limited**

Sd/-

S. V. Ramani

Whole-time Director & Secretary

Place: Kolkata

Date : 12.04.2010



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ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.
(Members Folio No. and Name of the Shareholders and Address given on the envelope in Block Letters to be furnished below)

I hereby record my presence at the Extraordinary General Meeting of the company at International Club Conference Room, 42A, Shakespeare Sarani, Kolkata-700 017 at 11.30 a.m. on Wednesday, May, 14, 2010.

Name of the Proxy (if applicable)

Signature of Shareholder/Proxy

Note I) Shareholders / Proxy holders are requested to bring the Attendance Slip duly signed and filled in at the Meeting and hand it over at the gate

II) Shareholders attending the meeting are requested to carry their copies of the Notice of EGM.

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Proxy form

Members Folio No. and Name of the Shareholders / Joint holder's and Address given on the envelope in Block Letters to be furnished below :

_____ No. of Shares Held: _____

I/We, _____ of _____
In the district of _____ Being a Member/Members of Ontrack Systems Limited
hereby appoint _____ of _____ in the district
of _____ or failinghim _____ of _____
in the district of _____ as my / our proxy to vote for me/us on my/our behalf at the
Extraordinary General Meeting of the Company to be held at Kolkatta at 11.30 a.m. on
Wednesday, May 14, 2010.

Signed this _____ Day of _____ 2008.

Signed by the said _____.

Affix one
Rupees
Revenue
Stamp

Note: The Proxy to be returned so as to reach not more than 48 hours before the time for holding the Extra ordinary General Meeting.

BOOK POST / U.C.P

TO

If undelivered, please return to

CAMEO CORPORATE SERVICES LIMITED,

Unit: Ontrack System Ltd.,

“Subramanian Building”

No.1, Club House Road,

Chennai - 600 002.

India.