



pricol limited

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NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013]

Dear Member(s)

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013, ("the Act") of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") other applicable provisions of the Act and Rules made thereunder and Clause 35B of the Listing agreement with Stock Exchanges, that it is proposed to transact the following Special Business by passing the resolutions through **Postal Ballot**.

Your approval is sought for the Resolutions set out hereunder. The Statement setting out the material facts concerning the items of Special Business is also annexed to this Notice in terms of Section 102(1) of the Act. Mr.K.Sriram, Partner of M/s.S.Krishnamurthy & Co, Company Secretaries, Chennai, has been appointed by the Board of Directors as the Scrutinizer.

You are requested to send your assent or dissent for the Resolutions **in either of the following modes:**

- (a) by filling in the necessary details in the **Postal Ballot** Form enclosed, signing the same at the marked place and returning the same in the enclosed postage pre-paid business reply envelope; or
- (b) by **E-voting** through the platform provided by National Securities Depository Limited ("NSDL"), the e-voting agency appointed by us for the purpose.

Postal Ballot Form has to be returned so as to reach the Scrutinizer on or before **Wednesday, 5th November, 2014 prior to the closing of working hours (1800 hours)**. Your assent / dissent received after 1800 hours on 5th November, 2014 would be strictly treated as if a reply from you has not been received. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.

E-voting platform will be open for tendering your votes from **0900 hours on 7th October, 2014 to 1800 hours on 5th November, 2014**. Members opting for e-voting may follow the procedure, as recommended by NSDL, under "E-Voting instructions" of this notice.

The Scrutinizer shall submit his report to the Chairman / Secretary of the Company. The result of the Postal Ballot shall be:

- announced on or before the close of business hours on Saturday, 8th November, 2014.
- displayed on the Company's website "www.pricol.com" and.
- communicated to the stock exchanges on which the Company's shares are listed.

SPECIAL BUSINESS

Item No. 1

To consider and give assent / dissent to following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing ₹.100,000,000/- (Rupees One Hundred Million only) divided into 100,000,000 (One Hundred Million) Equity Shares of ₹.1/- (Rupee One) each to ₹.120,000,000/- (Rupees One Hundred and Twenty Million only) divided into 120,000,000 (One Hundred and Twenty Million) Equity Shares of ₹.1/- (Rupee One) each ranking pari passu in all respects with the existing equity shares of the company."

“RESOLVED FURTHER that pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded for substituting the existing Clause V of the Memorandum of Association of the Company with the following clause.”

V. The Authorized Share Capital of the Company is ₹.120,000,000 (Rupees One Hundred and Twenty Million only) divided into 120,000,000 (One Hundred and Twenty Million) Equity Shares of ₹.1/- (Rupee One) each.

Item No. 2

To consider and give assent / dissent to following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 23, 42 and 62(1)©, as may be applicable, and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules framed thereunder (“**Act**”) (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 subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, the Listing Agreement entered into with the stock exchanges where the equity shares of the Company are listed (“**Stock Exchanges**”), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**SEBI ICDR Regulations**”) (including any amendment thereto or re-enactment thereof, for the time being in force), the Foreign Exchange Management Act, 1999 (“**FEMA**”), as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, the Registrar of Companies or any other relevant authority from time to time (“**Governmental Authorities**”), to the extent applicable, and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities 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) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorized to accept, the Board be and is hereby authorized, on behalf of the Company, to create, issue, offer and allot, (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted), in the course of one or more public or private offerings with or without a green shoe option (including Qualified Institutions Placement (“**QIP**”) under SEBI ICDR Regulations), either in India or in the course of international offering(s) in one or more foreign markets, such number of equity shares of the Company with a face value of ₹.1 (Rupee One) each (“**Equity Shares**”) and/or Equity Shares through convertible bonds and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any), (all of which are hereinafter collectively referred to as “**Securities**”) or any combination of Securities, to eligible investors under applicable laws, regulations and guidelines as decided by the Board including but not limited to qualified institutional buyers in accordance with Chapter VIII (“Qualified Institutional Placement” or “QIP”) of the SEBI ICDR Regulations, (whether residents and/or non-residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds and Indian and/or multi-lateral financial institutions, other eligible investors and/or individuals and/or trustees and/or stabilising agents or otherwise, and whether or not such investors are members of the Company), through issue of prospectus and / or placement document and/or letter of offer or circular and / or other permissible / requisite offer document and/or on public and/or private/preferential placement basis or any combination thereof, such issue and allotment to be made at such time/times, in one or more tranches, for cash, at such price or prices, including at discount / premium to the market price in such manner and on such terms and conditions including security, rate of interest etc., considering the then prevailing market conditions and other relevant factors wherever necessary, in consultation with the merchant bankers and/or other advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of such Securities shall not exceed ₹.1250 Million (Rupees One Thousand Two Hundred and Fifty Million) or its equivalent in one or more currencies, if any, inclusive of such premium as may be fixed on such Securities by offering the Securities through public issue(s), private placement(s), or a combination thereof at such a time or times, at a discount or a premium permitted under applicable laws, as may be deemed appropriate by the Board at its absolute discretion at the time of issue and allotment of the Securities, to investors as mentioned above.

However, the pricing of the Securities that may be issued to qualified institutional buyers pursuant to a QIP shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The Board may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. Further the Placement, in this financial year, shall not exceed five times the net worth of the Company as per the audited balance sheet as at March 31, 2014. The relevant date (Relevant Date) for the purpose of arrival of the Floor Price of the QIP shall be in accordance with chapter VIII of the SEBI ICDR Regulations respectively.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc.

RESOLVED FURTHER THAT any issue of Securities made by way of QIP in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be completed within 12 months from the date of this Resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of SEBI ICDR Regulations and the Securities shall not be eligible to be transferred / sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations..

RESOLVED FURTHER THAT in the event the Equity Shares are issued pursuant to the QIP, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board (including a committee of the Board) decides to open the proposed issue, and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued pursuant to the QIP, the relevant date for the purpose of pricing of such convertible securities, shall be the date of the meeting in which the Board of the Company (including a committee of the Board) decides to open the proposed issue of such convertible securities or the date on which the holder of such convertible securities become entitled to apply for the Equity Shares.

RESOLVED FURTHER that the Board be and is hereby authorized to finalize and approve the offering circular / placement document for the proposed issue of the Securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person, be required from time to time, and to arrange for the submission of the offering circular / placement document, and any amendments and supplements thereto with any applicable stock exchanges (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Securities as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer. Subject to the provisions of the Memorandum and Articles of Association of the Company, all such Equity Shares shall rank paripassu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions on that behalf contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the merchant bankers and/or other advisors, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the selection of qualified institutional buyers to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, and matters related thereto, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agents, trustees, bankers, lawyers, advisors and all such professionals / agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on the Stock

Exchange(s) and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on the Stock Exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to form a committee and / or delegate all or any of its power to any committee of directors (including any officer(s) of the company) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares.

RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any of the terms or combinations of the terms in accordance with the prevalent market practice including but not limited to terms and conditions relating to payment of interest, dividend, premium or the redemption at the option of the Company and /or holders of any Securities including terms or issue of additional equity shares or variations of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities.

Provided that the issue of all equity shares referred to above shall rank paripassu with the existing equity shares of the Company in all respects.”

RESOLVED FURTHER that the Company and /or any agencies or the Board of the Company may issue depository receipts representing the underlying Equity Shares in the capital of the Company or such other Securities in bearer, negotiable or registered form with such features or attributes as may be required and to provide for the tradability thereof as per market practices and regulation (including listing on one or more stock exchange(s) in or outside India).”

Coimbatore
24th September, 2014

By order of the Board
T.G. Thamizhanban
Company Secretary

Notes :

1. Statement of material facts pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out all material facts is annexed hereto.
2. Voting period commences from **October 7, 2014 (0900 hours) and ends on November 5, 2014 (1800 hours)** for the members exercising their voting either by Postal Ballot or through E-Voting.
3. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on **19th September, 2014**.
4. The members whose names appear in the Register of Members / Record of Depositories as on 19th September, 2014 will only be considered for voting. Voting rights are frozen for the shares held in Pricol Limited unclaimed shares account.
5. Members have the option either to vote through the E-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the Company's website “www.pricol.com”.
6. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the Assent (For) or Dissent (Against) in the attached Business Reply envelope so **as to reach the Scrutinizer on or before 1800 hours on 5th November, 2014** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. Hence the members are requested to send the duly completed Postal Ballot Form well before 5th November, 2014, providing sufficient time for postal transit.

7. The Company has appointed Mr. K Sriram, Partner of M/s. S Krishnamurthy & Co, Company Secretaries, as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
8. The date of declaration of the results will be treated as the date of passing of the said resolutions. The resolution in Item No.2, being Special Resolution, will be declared as passed if votes cast in favour of the resolution is three times more in number than the votes, if any, cast against it.
9. The result of the Postal Ballot shall be announced before 1730 hours on Saturday, 8th November, 2014, at the registered office of the Company and shall also be displayed on the Company's website www.pricol.com besides being communicated to the stock exchanges on which the shares of the Company are listed.
10. Members may, if they so desire, address any query in relation to the aforesaid Resolution to the Secretarial Department at the Registered Office of the Company. Tel.No:0422 - 4336231 / 272, Fax: 0422 - 4336299 or by e-mail to investor@pricol.co.in

INSTRUCTIONS FOR VOTING:

A) VOTING THROUGH PHYSICAL POSTAL BALLOT FORM

1. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self addressed postage prepaid envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Forms, if deposited in person or sent by courier etc., at the expenses of the members, will also be accepted.

The Postal Ballot Form duly completed and signed should be returned in the enclosed self addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer not later than the close of working hours (1800 hours) on Wednesday, 5th November, 2014. Postal ballot forms received after that date will be treated as if the reply from such members has not been received.
2. This form should be completed and signed by the sole / first named member. In case of joint holding, this Form should be completed and signed by the first named member and in his absence, by the next named joint holder. The signature of the member on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by NSDL / CDSL to the Company, in respect of shares held in the physical form or dematerialized form, respectively.
3. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authorisation together with attached specimen signature(s) of the duly authorised signatories.
4. Members holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Banker / Depository Participant ("DP"). Signatures should be verified by the Manager of the concerned Bank / DP by affixing a rubber stamp / seal mentioning name and address of the Bank / DP and name, stamp and signature of the Manager.
5. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
6. The votes should be cast in favour of or against the Resolution by putting the tick mark (✓) in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both the column will render the form invalid. Incomplete, unsigned, incorrectly filed or bearing more than one Postal Ballot Forms will be subject to rejection by the Scrutinizer.
7. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holder.
8. The Postal Ballot shall not be exercised by a Proxy.
9. Postal Ballot Form – Votes will be considered invalid on the following grounds.
 - a) If the member's signature does not tally.
 - b) If the member has marked all his shares both in favour and also against the resolutions.
 - c) If the Ballot paper is unsigned.
 - d) If the Ballot paper is filed in pencil or signed in pencil.
 - e) If the Ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or one or more of the above grounds.
10. The Scrutinizer's decision on the validity of the Postal Ballot will be final.

B) E-VOTING FACILITY

1. The Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Members have an option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, **in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid.**
2. The e-voting period commences on **7th October, 2014 (0900 hours) and ends on 5th November, 2014 (1800 hours)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19th September, 2014.
4. Mr.K.Sriram, Partner of M/s. S. Krishnamurthy & Co, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. **Members are requested to read the instructions given below:**
 - A. In case a Member **receives an email from NSDL** [for members whose email IDs are registered with the Company / Depository Participants(s)]:
 - i. Open email and open PDF file viz; "pricol e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on "Shareholder – Login"
 - iv. Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - vii. Select "EVEN" (E-Voting Event Number) of Pricol Limited.
 - viii. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to skco.cs@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member **receives physical copy of the Postal Ballot** [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy]:
 - I. Initial password is provided in the postal ballot form. **EVEN (E-Voting Event Number) for this Postal Ballot is 101306.**
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com OR contact NSDL at the following Telephone No:022 24994600.
6. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
7. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

ANNEXURE TO THE NOTICE

Statement of Material Facts (Pursuant to Section 102 of the Companies Act, 2013)

Item No. 1

The present Authorised Share Capital of the Company is ₹.100,000,000/- divided into 100,000,000 Equity Shares of ₹.1/- each. Considering the future plans and growing business of the Company, the Company requires additional equity capital. Accordingly, the Company has plans to issue further shares. Hence, it is necessary to increase the authorised share capital of the Company from ₹.100,000,000/- to ₹.120,000,000 by creation of 20,000,000 Equity Shares of ₹.1/- each and carry out consequent alteration to Clause V of the Memorandum of Association of the Company.

Hence, it is proposed to make appropriate alterations in the Memorandum of Association of the Company to reflect the changes in the Authorised Share Capital of the Company.

The draft Memorandum of Association is available for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. and 1.00 p.m.

The Board recommends to the shareholders, the passing of the resolution under the accompanying Notice, by casting their vote through the Postal Ballot Form or E-Voting as explained in the enclosed Postal Ballot Form.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

Item No.2

The Company requires adequate capital to meet both organic and inorganic growth plans. While it is expected that the internal generation of funds would partially finance the need for capital, it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution. The funds shall be raised through issue and allotment of equity and / or equity-linked instruments ("Securities"), as may be appropriate. For this purpose, the Company seeks shareholders' approval through a postal ballot notice as set out in Item No: 2.

Section 62(1)© of the Companies Act, 2013 ("Act") provides that, inter-alia, such further Securities may be offered to any persons whether or not such persons are existing holders of equity shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Company in General Meeting. The Listing Agreement executed by the Company with the Stock Exchanges also provides that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the Shareholders unless the Shareholders in a general meeting decide otherwise. Accordingly, Shareholders' approval is sought for issuing any such instrument as the Company may deem appropriate to parties other than the existing shareholders. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional share capital that may be issued would not be more than 25% of the existing paid-up capital of the Company, i.e. not more than 23,625,000 equity shares of ₹.1/- each. The equity shares, if any, allotted on issue, conversion of Securities shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Company may opt for issue of securities, wholly or partly, through Qualified Institutional Placement (QIP) as QIP would be less time consuming and more economical than other modes of raising capital. Accordingly, the Company may issue securities to Qualified Institutional Buyers as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") by way of a QIP in accordance with Chapter VIII of SEBI ICDR Regulations.

Shareholders may please note that the appended resolution proposed is an enabling resolution and the detailed terms and conditions for the issue will be determined in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the Securities shall be determined at a later stage, exact number of Securities to be issued shall also be crystallized later. Therefore, an enabling resolution is being proposed to give Board an adequate flexibility and absolute discretion to determine the terms of issue in consultation with the lead managers and others.

The special resolution also seeks to empower the board of directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to undertake QIP as defined by SEBI ICDR Regulations. The Board may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations. As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the

price of shares to be issued. However, the same would be in accordance with the provisions of the SEBI (ICDR) Regulations, 2009, the Companies Act, 2013, or any other guidelines /regulations /consents as may be applicable or required. The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations. As per Chapter VIII of the SEBI ICDR Regulations, an issue of Securities through QIP shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the "relevant date". The Board may, at its absolute discretion, issue equity shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI (ICDR) Regulations, 2009, subject to Section 53 of the Companies Act, 2013.

In connection with the proposed issue of Securities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post preferential offer capital that may be held by them and shareholding pattern of the company are not provided. Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

In case of issue of convertible bonds and/or equity shares through depository receipts the price will be determined on the basis of the current market price and other relevant guidelines.

The "relevant date" for the above purpose, shall be -

- i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue.
- ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchange for the same purpose is the BSE Limited and National Stock Exchange of India Limited.

This special resolution has a validity period of 12 months before which allotments under the authority of said resolution should be completed.

The change in control of the company would not occur consequent to the issue and allotment of Securities under the said resolution.

The Board believes that such an issue of Securities of the Company is in the interest of the Company and therefore recommend this Resolution at Item No. 2 of the accompanying Notice for the approval of the Members of the Company.

None of the Promoters, Directors or Key Managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution and they do not intend to subscribe to any Securities to be issued under the said resolution.

Coimbatore
Date: 24th September, 2014

By order of the Board
T.G.Thamizhanban
Company Secretary