



## **PI Industries Limited**

**Regd Office:** Udaisagar Road, Udaipur 313 001 (Rajasthan)  
**Corporate Office:** 5<sup>th</sup> Floor, Vipul Square, B- Block, Sushant Lok, Phase I, Gurgaon 122 009  
**Website:-** [www.piindustries.com](http://www.piindustries.com) **Phone:** 0124-6790000 **Fax:** 0124 6790236/4081247

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### **POSTAL BALLOT NOTICE (PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956)**

**Sub : Passing of resolution(s) by Postal Ballot.**

**DEAR MEMBERS,**

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, to transact the following special business by the members of PI Industries Ltd by passing resolutions through Postal Ballot.

Members' consent is requested for the proposals contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form, for your consideration.

**1. INCREASE IN BORROWING LIMITS FROM RS. 400 CRORES TO RS. 600 CRORES OR THE AGGREGATE OF THE PAID UP CAPITAL AND FREE RESERVES OF THE COMPANY, WHICHEVER IS HIGHER.**

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

**“RESOLVED THAT** in supersession of earlier resolution passed by shareholders dated October 12, 2009, consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 600 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.”

**2. (a) CHARGING /MORTGAGING THE IMMOVABLE PROPERTIES FOR SECURING WORKING CAPITAL LOANS AVAILED FROM THE BANKS.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or create charge in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all or any of the immovable properties of the Company, both present and future and /or whole or any part of undertaking(s) of the Company, in favour of the working capital lenders namely:

- Second pari-passu charge/ subsequent charge for working capital facilities aggregating to Rs.260.20 crores (consisting of Fund and Non-fund Based facilities) provided by the Consortium led by State Bank of Bikaner & Jaipur, Udaipur (Rs.165.70 crores) and others namely; State Bank of India (Rs.33 crores), Axis Bank Ltd. (Rs.61.50 crores) besides State Bank of Bikaner and Jaipur.

together with interest at respective agreed rates, compound / additional interest, commitment charges, premium on pre-payment or on redemption, cost, charges, expenses and all other moneys payable by the company to the above banks in terms of their respective loan agreements / consortium agreements / letter of sanction / memorandum of terms and conditions entered by the company in respect of the said agreements”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board / Committee of the Board/ Directors or Officers authorized by them in this regard be and are hereby severally authorized to finalize with the aforesaid banks the documents for creating the aforesaid mortgage and / or charge and to do all such things as may be necessary for giving effect to the above resolution”.

**“RESOLVED FURTHER THAT** the mortgages/ charges created / to created and/or all the agreements / documents executed / to be executed and all the acts done in terms of the above resolution by and with the authority of the board of directors be and are hereby confirmed and ratified”.

**b) CHARGING /MORTGAGING THE IMMOVABLE PROPERTIES FOR SECURING EXTERNAL COMMERCIAL BORROWING (ECB) OF USD 20 Mn AVAILED FROM STANDARD CHARTERED BANK, UK**

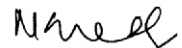
To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or charge the whole or substantially the whole of the undertaking of the Company for creating security by way of exclusive first charge on the movable and immovable fixed assets of the Company situated at Plot No. SPM - 28, Sterling SEZ, At & PO Sarod, Tehsil. Jambusar, Dist. Bharuch, Gujarat-392180 subject to such consent(s)/approvals of requisite authorities as may be necessary in order to secure the External Commercial Borrowing (ECB) of USD 20 Mn sanctioned by the Standard Chartered Bank, UK, together with interest at respective agreed rates, compound / additional interest, commitment charges, premium on pre-payment or on redemption, cost, charges, expenses and all other moneys payable by the Company to the above bank in terms of their respective loan agreements / letter of sanction / memorandum of terms and conditions entered by the Company in respect of the said agreements”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board / Committee of the Board/ Directors or Officers authorized by them in this regard be and are hereby severally authorized to finalize with the aforesaid bank the documents for creating the aforesaid mortgage and / or charge and to do all such things as may be necessary for giving effect to the above resolution”.

**“RESOLVED FURTHER THAT** the mortgages/ charges created / to created and/or all the agreements / documents executed / to be executed and all the acts done in terms of the above resolution by and with the authority of the board of directors be and are hereby confirmed and ratified”.

By Order of the Board  
**For PI Industries Ltd**



**Naresh Kapoor**  
Company Secretary

Place: Gurgaon  
Dated: 29<sup>th</sup> May, 2012

**Registered Office:**  
Udaisagar Road, Udaipur  
Rajasthan

## NOTES:-

1. Explanatory Statement and reasons for the proposed resolution, pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are annexed to the notice.
2. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The Board of Directors has appointed Mr. A. K. Friends, Practising Company Secretary as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. 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 closing working hours i.e 5.30 pm on July 23, 2012. Any Postal Ballot Form received after the closing hours i.e 5.30 pm on July 23, 2012 shall be treated as if the reply from the shareholders has not been received.
5. **The Company has not availed the e-voting facility for Postal Ballot process.** Hence, entire voting will be casted through physical Postal Ballot process and accordingly the shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof.
6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The results of the Postal Ballot will be announced by the Chairman of the Company or any other Director authorised by the Chairman on July 26, 2012 at the Corporate Office of the Company at 5<sup>th</sup> Floor, B- Block, Sushant Lok, Phase I, Gurgaon 122009 at 5.30 pm and will also be informed to the stock exchanges, hosted on the Company's website [www.piindustries.com](http://www.piindustries.com) and published in newspapers.
8. The Ordinary Resolutions mentioned above shall be declared as passed, if the numbers of votes cast in its favour exceed the votes, if any, against the said Resolutions.

## Annexure to the Notice

### **Explanatory Statement and reasons for the proposed resolution accompanying the notice dated 29<sup>th</sup> May, 2012 pursuant to section 173 (2) and 192A(2) of the Companies Act, 1956**

#### **Item No. 1**

According to section 293(1)(d) of the Companies Act, 1956 ("Act"), the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. The Shareholders in its meeting held on October 12, 2009, had accorded their consent to the Board of Directors for borrowing up to Rs. 400 crores.

Taking into consideration the Company's growth plans for next few years and consequent additional funds requirement to meet capital expenditure programmes as also additional long term working capital requirements of the Company, it is expected that the limit of Rs. 400 crores sanctioned by the Shareholders may not be adequate. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Act, to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 600 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

As on 31st March, 2012, the aggregate of the paid-up capital and free reserves of the Company stands at Rs. 317.40 crores. It is proposed to increase the borrowing limits to enable the Directors to borrow additional monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 600 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher. The Resolution under Item No. 1 is to obtain the consent of the shareholders for this purpose.

None of the Directors is interested in the Resolutions at Item No 1 of the accompanying Notice.

**Item no. 2(a)**

In order to meet Company's rapid growth and increased activities, it has obtained enhanced working capital facilities aggregating to Rs.260.20 crores from State Bank of Bikaner & Jaipur - Rs.165.70 crores (including stand by line of credit of Rs.5 crores), State Bank of India - Rs.33 crores and Axis Bank Ltd. - Rs.61.50 crores. These borrowings are to be secured by creation of second mortgage and charge on the fixed assets of the Company, both present and future, wherever situated. The said charge shall rank pari-passu with the existing second pari-passu charge holders of the Company.

The securing of the borrowing facilities by way of mortgage/charge over all or any part of the movable and/or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company in accordance with Section 293(1)(a) of the Companies Act, 1956 and hence approval of Members of the Company is being sought for the resolution set out at Item no. 2(a) in terms of the provisions of Section 293(1)(a) of the Companies Act read with Sec 192A of the Companies Act, 1956 along with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 through a resolution as set out in the notice to be passed through Postal Ballot.

None of the Directors is interested in the Resolution at Item No 2(a) of the accompanying Notice.

**Item no. 2(b)**

The Company has availed External Commercial Borrowings (ECB) for a sum of USD 20 Mn from Standard Chartered Bank, UK, in order to meet the capital expenditure requirement of the company for expansion of the existing unit and also for setting up a new manufacturing site at Sterling SEZ, Jambusar (Gujarat).

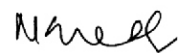
As per the terms and conditions of the sanction, Company is required to create first exclusive charge on movable and immovable fixed assets of property situated at Plot No.SPM - 28, Sterling SEZ, At & PO Sarod, Tehsil. Jambusar, Dist. Bharuch, Gujarat-392180 for securing the aforesaid facility.

The securing of the borrowing facilities by way of mortgage/charge over all or any part of the movable and/or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company in accordance with Section 293(1)(a) of the Companies Act, 1956 and hence approval of Members of the Company is being sought for the resolution set out at Item no. 2(b) in terms of the provisions of Section 293(1)(a) of the Companies Act read with Sec 192A of the Companies Act, 1956 along with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 through a resolution as set out in the notice to be passed through Postal Ballot.

None of the Directors is interested in the Resolution at Item No 2(b) of the accompanying Notice.

**The above proposals are in the interest of the Company and the Directors commend the Resolutions in Item Nos. 1, 2(a) and 2(b) of the Notice for approval by the Members as Ordinary resolutions by way of Postal Ballot.**

By Order of the Board  
**For PI Industries Ltd**



**Naresh Kapoor**  
Company Secretary

Place: Gurgaon  
Dated: 29<sup>th</sup> May, 2012

**Registered Office:**  
Udaisagar Road, Udaipur  
Rajasthan

# **PI Industries Limited**

Regd. Off: Udaisagar Road, Udaipur 313 001 (Raj.)

## **POSTAL BALLOT FORM (Attached to the Notice dated May 29, 2012)**

1. Postal Ballot No.
2. Name & Registered address of the Sole/ First named Member/ Beneficial Owner (in block Letters)
3. Name of the joint Members(s), if any :
- 4 I. Registered Folio No.  
II. a) DP ID No.\*  
b) Client ID No. \*  
  
(\*Applicable to members holding shares in dematerialized form)
5. Number of Shares held :
6. I/We hereby exercise my/our vote in respect of the Ordinary Resolutions proposed through Postal Ballot for the businesses stated in the Postal Ballot Notice of the Company dated May 29, 2012 by conveying my/our assent or dissent to said Resolutions by placing the tick (√) mark at the appropriate box below:

***(Tick in both the boxes would render your Ballot invalid for the respective resolution)***

<b>Item No.</b>	<b>Description</b>	<b>No. of Shares</b>	<b>I/We assent to the Resolution (FOR)</b>	<b>I/We dissent to the Resolution (AGAINST)</b>
1.	Ordinary Resolution U/s 293(1)(d) for increase in borrowing limits from Rs.400 Crores to Rs.600 Crores or the aggregate of the paid up capital and free reserve of the Company, whichever is higher.			
2(a)	Ordinary Resolution U/s 293(1)(a) for charging / mortgaging the immovable properties of the Company for securing the working capital limits sanctioned by Consortium Bankers.			
2(b)	Ordinary Resolution U/s 293(1)(a) for charging / mortgaging the immovable properties situated of the Company situated at Jambusar for securing the ECB Loan USD 20 Mn. sanctioned by Standard Chartered Bank			

**Place:**  
**Date:**

**Signature of the Member/ Beneficial Owner**

**Note: Last date for receipt of Postal Ballot Forms by the Scrutinizer is July 23, 2012.**

**PLEASE READ CAREFULLY THE INSTRUCTIONS PRINTED OVERSELAF BEFORE EXERCISING THE VOTE.**

# **PI Industries Limited**

Regd. Off: Udaisagar Road, Udaipur 313 001 (Raj.)

## **INSTRUCTIONS**

1. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. Pursuant to the provisions of section 192A of the Companies Act, 1956 read with Companies (Passing of resolution by Postal Ballot) Rules, 2011, the assent or dissent of the Members in respect of the Resolution contained in the Postal Ballot Notice dated May 29, 2012 is being determined through Postal Ballot.
3. The Board has appointed Mr. A.K. Friends of M/s A.K. Friends & Co., Company Secretary in Whole-time Practice as the Scrutinizer for the purpose of conducting business through Postal Ballot under the Rules.
4. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it directly to the Scrutinizer in the attached preprinted self addressed envelope. No postage is required to be paid by the Shareholder as the prepaid self addressed postal envelope is enclosed. Envelope containing Postal Ballots Forms, if deposited with the Company in person or, if sent by courier/registered post at the expense of the registered Shareholder, shall also be accepted by the Company.
5. A (✓) mark should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be. Incomplete or unsigned Postal Ballots will be rejected. Tick in both the boxes would render your Ballot Form invalid. Please note that (X) mark or any other mark other than (✓) in the box signifying assent or dissent shall be deemed as if no mark has been placed and the box is left blank.
6. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (1730 hrs) on July 23, 2012. For this purpose, a self-addressed postage pre-paid envelope is enclosed herewith. Please note that any response received from the Shareholders after 1730 hrs on July 23, 2012 shall be treated as if no response has come from a Shareholder in terms of Rule 6(f) of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011. Accordingly Shareholders are requested to send duly completed Postal Ballot Forms well before the above said date providing sufficient time for postal transit.
7. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for Postal Ballot but not later than July 26, 2012.
8. The Chairman/Managing Director or in his absence any other director authorised by the Chairman shall announce the result of Postal Ballot at the Registered Office, at 5.30 p.m. on July 26, 2012. The date of declaration of result of Postal Ballot result will be taken to be the date of passing of the Ordinary Resolution(s).
9. The Result of Postal Ballot will be published in the Newspaper (English and vernacular) within 48 hours of the declaration of the result and will be placed at the web-site of the Company at [www.piindustries.com](http://www.piindustries.com) for information of Members besides being communicated to all the Stock Exchanges on which the shares/ securities are listed.
10. This form should be completed and signed by the member as per the specimen signatures registered with the Company. In case of joint holdings, this form should be completed and signed (as per the Specimen Signature registered with the Company) by first named Shareholder and in his absence, by the next named joint holder. In case the Form is signed by persons other than individual members, this form should be signed by an authorized signatory whose signature is already registered with the Company/Depository Participant.
11. In case of shares held by Companies, Trust, Societies etc., duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/Other Authority together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
12. If any extraneous paper is found in such envelop the same would not be considered by the Scrutinizer and would be destroyed.
13. There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
14. The Postal Ballot shall not be exercised by a Proxy.
15. Unsigned Postal Ballot form will be rejected.
16. Voting Rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of the Notice.
17. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.