

**POSTAL BALLOT NOTICE**

Pursuant to Section 192A of the Companies Act, 1956

To the Shareholders

NOTICE is hereby given that the following Resolutions are circulated for approval of the Shareholders of the Company to be accorded through Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof for the time being in force):

Members may please note that the voting of the resolution as contained in this notice will be made through Postal Ballot only and the Company has not appointed any agency for electronic voting in this regard.

The Postal Ballot Form is annexed to this Notice for the purpose of exercising the votes in respect of the following resolutions.

The proposed resolutions and the explanatory statement are appended below for consideration by the members of the Company.

Special Business:**1. Increase in Borrowing Powers of the Company:**

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Extraordinary General Meeting of the Company held on 20th June, 2006 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to and authority conferred upon the Board of Directors of the Company to borrow from time to time, such sum or sums of money as it may consider fit, notwithstanding that the monies to be so borrowed together with monies, if any, 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 however that, the total amount so borrowed and outstanding at any time, shall not exceed a sum of Rs.750 crore (Rupees Seven Hundred Fifty Crore Only)".

2. Creation of Charge:

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

"RESOLVED THAT in continuation of and in addition to the Resolution passed through Postal Ballot on 23.12.2010 and in pursuance of the provisions of Section 192A, 293(1)(a) and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) of the Companies Act, 1956 ("the Act"), consent of the Shareholders of the Company be and is hereby granted to the Board of Directors of the Company (herein referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this Resolution) to create mortgage(s) and / or charge(s) and / or hypothecation(s) in addition to the mortgage(s) and / or charge(s) and / or hypothecation(s) already 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 movable and / or immovable properties and assets of all kinds of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company in favour of the Financial Institution(s)/ Bank(s)/ Lender(s)/ Agent(s) and Trust(s)/ Trustee(s) for securing the borrowings availed / to be availed by the Company, by way of loan(s) (in rupee and/or foreign currency) and securities (comprising fully / partly Convertible Bonds/ Debentures/ warrants/ Non Convertible Debentures or other debt instruments) issued/ to be issued by the Company from time to time, subject to the limits approved under Section 293(1)(d) of the Act, together with interest, premium (if any) on redemption, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/ to be entered into between the Company and the Lender(s)/ Agent(s) and Trust(s)/ Trustee(s), in respect of the said loans/ borrowings/ bonds/ debentures/ warrants containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s) and Trust(s)/ Trustee(s)."

"RESOLVED FURTHER THAT for the purpose aforesaid, the Board and/ or its duly constituted Committee be and are hereby authorized to finalise and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid."

3. Making Investment, giving Loan / Guarantee or provide Security against a Loan:

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

"RESOLVED THAT pursuant to the provisions of Section 192A, 292, 372A and other applicable provisions of the Companies Act, 1956 or any amendments or modifications (including any statutory modification or re-enactment thereof for the time being in force) and subject to consent, sanction and approval of and permission as may be necessary in that behalf, consent of the Company be and is hereby accorded to the Board of Directors of the Company to invest / acquire from time to time by way of subscription, purchase, conversion or otherwise in the equity shares, preference shares, debentures (whether convertible or non-convertible) or any other financial instruments of Kesar Multimodal Logistics Limited (KMLL) in one or more tranches or to make / give from time to time any loan or loans and to give from time to time any guarantee(s) and/ or provide any security, in connection with any loan(s) made, by any other person(s) to KMLL, as the Board may think fit, for the amount exceeding the limits specified in Section 372A of the Companies Act, 1956 subject to a limit of Rs.50 crore (Rupees Fifty Crore only)."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to take from time to time all decisions and steps necessary or expedient or proper in respect of any loan/ investment/ guarantee/ security including the timing, the amount and other terms and conditions of such loan/ investment/ guarantee/ security and varying the same through transfer, sale, disinvestment or otherwise, either in part or in full, and also to settle any question or difficulty that may arise in regard to this and further do and perform all such acts matters, deeds and things as may be necessary without further referring to the members of the Company, including finalizing and executing agreements, deeds and such other documents and writings as may be necessary or expedient in its own discretion and in the best interest of the company and as may, deem appropriate for the purpose of giving effect to this resolution."

4. Alteration of Articles of Association of the Company:

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification thereto or any re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby altered in the following manner:

(i) Substitute the existing Article 197 with the following new Article 197:**The Seal and its custody and use.**

"197. The Directors shall provide a Common Seal for the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Common Seal shall be kept at the Registered Office of the Company, and committed to the custody of the Managing Director or the Secretary, if there is one, and shall be carried outside the Registered Office, if required, under the authority of the Board."

(ii) Substitute the existing Article 198 with the following new Article 198:**The Seal how to be affixed.**

"198. The SEAL shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee thereof and unless the Board otherwise determines every deed or other instrument to which the Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director at least in whose presence the Seal shall have been affixed and countersigned by the Secretary or such other person as may from time to time be authorised by the Board, provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same. The share certificate shall however be sealed and signed in accordance with the provisions of the Companies (Issue of Share Certificate) Rules, 1950.

To consider and, if thought fit, to pass with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or reenactment thereof) and the provisions of Foreign Exchange Management Act (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, Securities and Exchange Board of India (SEBI) Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), Reserve Bank of India (RBI), SEBI and any other competent or concerned authority and the provisions of Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consent and sanctions of the concerned statutory and other authority(ies) and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consent and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company with powers to delegate such authority to such person or persons as the Board may deem fit, to offer, issue and allot either in India or in the course of international offering(s), in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Qualified Institutional Placements (QIPs), Equity Shares (through Depository Receipt Mechanism), any other Financial Instruments convertible into Equity Shares or otherwise, in the registered or bearer form, any security convertible in or linked to Equity Shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter collectively referred to as "Securities") or any one or combination of such Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Foreign Institutional Investors, Indian / Multilateral Financial Institutions, Mutual Funds, Banks, Insurance Companies, Pension Funds, Qualified Institutional Buyers (QIB's) Non-Resident Indians and / or any other eligible investors, whether they be holders of shares of the Company or not (collectively called the "Investors") through Public Issue, Rights Issue, Preferential Issue, Private Placement or a combination thereof through prospectus, offer document, offer letter, offer circular or otherwise, at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with Lead Managers, upto an amount not exceeding Rs.50 crore (approximately) or equivalent foreign currency inclusive of such premium as the Board at its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practice and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the GDRs during the duration of the Depository Receipts and the Board be and is hereby authorised at its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities as are not subscribed."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any Securities or as may be necessary in accordance with the terms of the offering(s), all such shares ranking *pari passu* with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT the pricing of the Securities, GDRs/ FCCBs / ADRs that may be issued, shall be made subject to compliance with the applicable laws and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Advisors and all such Agencies as may be involved or concerned in such offering(s) 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, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more National and / or International Stock Exchange(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue and allotment of Securities or Equity Shares, as aforesaid, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary, desirable or expedient including the obtaining of permissions / approvals from various authorities as may be required and to settle any questions, difficulties or doubts that may arise in regard to any such offer, issue and allotment."

"RESOLVED FURTHER THAT the acts, deeds, and things already done by the Board, or any persons designated by the Board, in this regard be and are hereby confirmed, approved and ratified."

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai – 400 020.

13th August, 2012

Notes :

1. The relative Explanatory Statement pursuant to Sections 173(2) and 192A of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors at its meeting held on Monday, 13.08.2012 has appointed M/s. Ragini Chokshi & Co., Company Secretaries as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self addressed business reply envelope are enclosed for use of the Members.
3. The Notice along with the Postal Ballot Form and self addressed business reply envelope is being sent under Speed Post to all the Members, whose names would appear in the Register of Members / Record of Depositories as on Friday, 17.08.2012.
4. 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 pre-paid envelope, so as to reach the Scrutinizer on or before Thursday 27.09.2012 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit her report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on Wednesday 03.10.2012 at the Registered Office of the Company at 4:00 p.m. The results will also be displayed on the Company's website viz. www.kesarindia.com
5. 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.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays 11.00 a.m. and 1.00 p.m. upto to Thursday 27.09.2012.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Sections 173(2) and 192A of the Companies Act, 1956 setting out material facts is annexed hereto

Item No. 1:

At the Extraordinary General Meeting of the Company held on 20th June, 2006, the Shareholders had authorised the Board of Directors to borrow money in excess of the aggregate of the paid up capital and free reserves of the Company upto the limit of Rs.500 crore (Rupees Five Hundred Crore only) at any time. The current borrowings of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 as on 31.7.2012 is about Rs.400 crore. The Company is in an expansion phase for implementation of its various projects and considering increase in operations, it is envisaged that the Company may need to borrow amount, which may exceed the limit of Rs.500 crore. It is, therefore, proposed to increase the said limit of borrowings from Rs.500 crore to Rs.750 crore. Accordingly, the sanction of the Shareholders under Section 293(1)(d) of the Companies Act, 1956, is requested to enable the Directors to borrow money to the extent of Rs.750 crore.

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, without the consent of the Company in a General Meeting, borrow moneys, 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.

The Board recommends the Ordinary Resolution as set out in the Notice seeking the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies act, 1956, read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 2:

Your approval was obtained earlier through Postal Ballot on 23.12.2010, under Section 293(1)(a) of the Companies Act, 1956 for creating charge in favour of IDBI Trusteeship Services Limited (ITSL) acting as (i) Security Trustee of Allahabad Bank; (ii) Agent of Government of India acting through IFCI Ltd.; (iii) Agent of Uttar Pradesh Co-operative Bank Ltd.; and (iv) Agent of UCO Bank, through voting by Postal Ballot in terms of the provisions of Section 192A of the Companies act, 1956, read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

Thereafter, the Company has revised / taken additional Term Loans and is also availing Cash Credit Facilities from various Banks and Financial institutions as mentioned below:

Sr No	Banks / FI	Facility	Rs. in crore	Security Offered	
				Primary	Collateral
1.	Allahabad Bank	Cash Credit Facility - Pledge	50.30	Pledge of sugar bags	2nd pari passu mortgage/ hypothecation charge on the fixed assets of the Company's Sugar and Spirits (Distillery) Divisions.
2.	Allahabad Bank	Cash Credit Facility - Hypothecation (Spirits Division)	8.00	1st hypothecation charge over all the current assets of Company's Sugar & Spirits (Distillery) Divisions (except sugar bags pledged/ to be pledged)	2nd pari passu mortgage/ hypothecation charge on the fixed assets of the Company's Sugar and Spirits (Distillery) Divisions.
3.	Allahabad Bank	Cash Credit Facility - Hypothecation (Seed Division)	8.00	1st hypothecation charge over all the current assets of company's Seed Division	2nd pari passu mortgage/ hypothecation charge on the fixed assets of the Company's Sugar and Spirits (Distillery) Divisions.
4.	Uttar Pradesh Co-operative Bank Ltd.	Cash Credit Facility - Pledge	180.00	Pledge of sugar bags	2nd pari passu mortgage/ hypothecation charge on the fixed assets of the Company's Sugar Division.
5	Allahabad Bank	Term Loan - 4 & 6 for Co-gen Power Plant	62.00	1st pari passu charge on the fixed assets of the Sugar, Power & Spirits (Distillery) Divisions of the Company at Village Baheri, U.P. 1st pari passu charge on current assets of Power Division of the Company at Village Baheri, U.P.	2nd pari passu hypothecation charge on the current assets (except Pledge of Sugar Bags) of the Company's Sugar and Spirits (Distillery) Divisions.
6	Allahabad Bank	Term Loan-5 Modernisation of Sugar Plant	4.77	1st pari passu mortgage/ hypothecation charge on the fixed assets of the Company's Sugar Division.	2nd pari passu hypothecation charge on the current assets of the Company's Sugar and Spirits (Distillery) Divisions. (except pledge of sugar bags)
7	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan for Co-gen Power Plant	32.73	1st pari passu charge on the fixed assets of Sugar factory of the Company at Village Baheri, U.P.	
8	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan (Modernisation of plant and machinery for processing of raw sugar)	2.50	1st pari passu charge on the fixed assets of the Company's Sugar Factory at Village Baheri, U.P.	
9	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan (Cane Development)	2.50	1st pari passu charge on the fixed assets of the Company's Sugar Factory at Village Baheri, U.P.	
10	Sugar Development Fund, Govt. of India (through IFCI Ltd.)	Term Loan (Modernisation cum Expansion of Crushing Capacity)	4.67	1st pari passu charge on the fixed assets of the Company's Sugar Factory at Village Baheri, U.P.	
11	UCO Bank	Term Loan - I & II For Cogeneration Power Project)	52.00	1st pari passu charge on the fixed assets of the Sugar, Power & Spirits (Distillery) Divisions of the Company at Village Baheri, U.P. 1st pari passu charge on current assets of Power Division of the Company at Village Baheri, U.P.	2nd pari passu charge on the current assets (except Pledge of Sugar Bags) of the Sugar & Spirits (Distillery) Divisions of the Company.
12	YES Bank Limited	Term Loan - I (Co-generation Power Project)	11.00	1st pari passu charge on the fixed assets of the Sugar, Power & Spirits (Distillery) Divisions of the Company at Village Baheri, U.P. 1st pari passu charge on current assets of Power Division of the Company at Village Baheri, U.P.	2nd pari passu charge on the current assets (except Pledge of Sugar Bags) of the Sugar & Spirits (Distillery) Divisions of the Company.

The borrowings by a Company, in general, is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of the Company from time to time, in consultation with the Lender(s).

Since creating the aforesaid security, in certain cases is regarded as disposal of whole or substantially the whole of the undertaking(s) of the Company, within the meaning of Section 293(1)(a) of the Companies Act, 1956, it is necessary to obtain approval of shareholders pursuant to Section 293(1)(a) of the Act. Further, Section 192A of the Act read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, provides that the aforesaid approval is to be compulsorily obtained by way of Postal Ballot. Accordingly, the Resolution is being proposed to seek your approval.

The Board recommends the Ordinary Resolution as set out in the Notice seeking the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies act, 1956, read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Kesar Multimodal Logistics Limited (KMLL), a Special Purpose Vehicle (Company), was formed by the Consortium of Kesar Terminals & Infrastructure Limited (KTIL) as the Lead Member and the Company as the Member, to set up a "Composite Logistics Hub" at Pawarkheda, District Hoshangabad, Madhya Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis through Public Private Participation (PPP) at an estimated cost of Rs.150 crore. On 24.10.2011, KMLL had signed a Concession Agreement with Mandi Board for the same. The Project will be funded partly by loans from the Banks to KMLL and partly by the Consortium Members in the form of investment in Equity Share Capital of KMLL of not less than 5% of the Project cost of Rs.138 crore as estimated by the Mandi Board, by each Member, which comes to approximately Rs.7 crore. However, the Lead Member i.e. KTIL will arrange for the major portion of the required fund for KMLL. In fact, KTIL had advanced / spent till 10.08.2012, Rs.4,70,00,000/- for the Project on behalf of KMLL, which has been converted by KMLL on 10.08.2012 by allotting 47,00,000 equity shares of Rs.10/- each. In view of the same, the % shareholding of KTIL along with its Nominees in the equity share capital of KMLL has increased above 50% resulting into a relationship of Holding - Subsidiary between KTIL & KMLL. Whereas 25,000 equity shares of Rs.10/- each of KMLL is held by the Company along with its Nominees.

The Infrastructure facilities of the Project are of a capital intensive nature. As a measure of achieving greater financial flexibility and facilitate timely execution of this Project, it is proposed that the Board of Directors be authorized to accommodate KMLL upto Rs.50 crore by way of subscription and/ or purchase of equity/ equity related securities and/ or debentures, grant of loan, guarantee and/ or providing of security from time to time.

As per provisions of Section 372A of the Companies Act, 1956, the Company cannot either directly or indirectly:

- make any loan to any other body corporate;
- give any guarantee, or provide security; and
- acquire, by way of subscription, purchase or otherwise the shares of any other body corporate;

exceeding 60% of its paid-up share capital and free reserves, or 100% of its free reserves, whichever is more:

Provided that where the aggregate of the loans and investments so far made by the Company, the amounts for which guarantee or security so far provided to or in all other bodies corporate, along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceeds the aforesaid limits, no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed through a Postal Ballot process.

Hence, it is necessary to obtain approval for the same from the Members by passing a Special Resolution. The funds required for the investment will be sourced through internal accruals, equity proceeds and / or borrowings.

The Board recommends passing of this Special Resolution in the interest of the Company as set out in the Notice seeking the approval of the Members. Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read along with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 4:

The proposed Special Resolution is for altering the Articles of Association of the Company by substituting the existing Articles 197 & 198 with the new Articles 197 & 198 as mentioned in the resolutions, which pertain to Seal and its custody and use.

The Board recommends the Special Resolution as set out in the Notice seeking the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies act, 1956, read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 5:

The proposed resolution is an enabling resolution, which relates to the proposal of the Company to offer, issue and allot either in India or in the course of an international offering in one or more foreign markets, by way of equity shares / depository receipts / foreign currency convertible bonds (FCCB) / fully convertible debentures / partly convertible debentures / qualified institutional placements (QIP's) or any other financial instruments convertible into or linked to equity shares or otherwise, or any one or combination of such securities, in one or more tranches through public issue(s), Rights Issue (s) preferential issue, private placement(s) or a combination thereof and on the terms and conditions as may be decided by the Board of Directors or any Committee thereof, at its absolute discretion, for an amount not exceeding Rs.50 crore (approximately) or equivalent foreign currency inclusive of premium payable on conversion, if any.

The objects of this issue is to enhance financial flexibility of the Company to fund the capital expenditure plans of the Company and/or to part finance expansion/modernisation of the Sugar Factory / cogeneration projects at Baheri and/or acquisition / investments in similar facilities. The Company is exploring alternatives to mobilise resources from various available sources. Presently, it is proposed to raise a sum upto Rs.50 crore (approximately) or equivalent foreign currency.

The detailed terms and conditions for the offer will be determined in consultation with Advisors, Lead Managers, Underwriters and such other authority or authorities and agencies as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the international offering(s), if any, will be free market pricing and may be at a premium or discount to the market price in accordance with international practice, subject to applicable rules, regulations etc. As the pricing of the offering(s) will be decided at a later stage, the exact number of securities or shares to be issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

Securities issued pursuant to the international offering(s), if any, will be listed on the Luxembourg Stock Exchange and / or London Stock Exchange and / or Singapore Stock Exchange and / or other Exchange(s) outside India and may be represented by Securities outside India.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit. Section 81(1A) of the Companies Act, 1956 provides, *inter alia*, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81(1A) unless the shareholders in a general meeting decide otherwise.

The Listing Agreement entered into by the Company with the Bombay Stock Exchange on which the Company's shares are listed provides, *inter alia*, that the Company in the first instance should offer all the shares to be issued by the Company for subscription on a pro rata basis to the equity shareholders unless the shareholders in a general meeting decide otherwise.

The said Special Resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to offer, issue and allot the Securities otherwise than on pro rata basis to the existing shareholders.

The Board of Directors believes that such issue is in the interest of the Company and therefore recommends the resolution for your approval. No Director of the Company is interested or concerned in the said resolution.

Registered Office:

Oriental House,
7, Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020.

By Order of the Board

D J Shah
Sr. Vice President (Legal) &
Company Secretary

13th August, 2012

- Encl.:1. Postal Ballot Form
2. Postage Prepaid Business Reply Envelope