

# S. Kumars Nationwide Limited

"Avadh", Shree Ram Mills Premises, Ganpatrao Kadam Marg,  
Worli, Mumbai - 400 018. INDIA. Website : www.sknl.co.in

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## NOTICE OF POSTAL BALLOT

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### To the Shareholder(s),

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 (the "Act"), read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 ("Rules") for the consent of the Members of S. Kumars Nationwide Limited for the proposed Special Resolution as set out below. The explanatory statement pertaining to the Special Resolution setting out material facts is annexed hereto along with a Postal Ballot form for your consideration.

The Company has already obtained approval of the shareholders vide Special Resolution dated 12<sup>th</sup> August 2009 by way of postal ballot for raising the necessary resources upto Rs. 500 Crores through QIP mechanism. Since the validity of the said resolution is upto one year, the Company seeks a fresh approval of the shareholders.

The Explanatory Statement stating all material facts and the reasons for the proposed resolutions is also appended hereto for your consideration.

### Special Business

#### Issue of equity shares to the Qualified Institutional Buyers:

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

**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter VIII of SEBI ICDR (Issue of Capital and Disclosure Requirements) Regulations 2009 ("SEBI ICDR Regulations") and the provisions of the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and also subject to the provisions of all other applicable statutes, guidelines, regulations, approvals, consents, permissions or sections (the "Approvals") of the Central Government, the Reserve Bank of India, SEBI, Stock Exchanges, Ministry of Finance and any other appropriate authorities, institutions or bodies as may be required, consent of the Company be and is hereby accorded to the Board of Directors ("Board") of the Company at its absolute discretion, to issue, offer and allot Equity Shares of the Company ("Equity Shares") and/or equity shares through Global Depository Shares (GDSs) / Receipts (GDRs) and / or American Depository Receipts (ADRs), and/or private placement and/or Foreign Currency Convertible Bonds (FCCBs) and/or convertible bonds, convertible debentures, fully or partly and / or any other securities, convertible into or exchangeable with equity shares ("Securities") upto the overall amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) or its equivalent in any foreign currency as the case may be (inclusive of such premium as may be determined) in one or more tranche or tranches as specified above.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to create, offer, issue and allot, from time to time, such number of Equity Shares/Securities at such price that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid Shares/Securities; and

- a) all such additional Equity Shares or Securities, shall rank pari-passu in all respects, with the then existing respective Shares/Securities, as the case may be, of the Company, but shall be subject to such lock-in requirements as may be prescribed by appropriate authorities under applicable laws, if any;
- b) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

- c) the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which the Board of the company or the Committee of Directors duly authorised by the Board of the company decides to open the proposed issue. ;

**RESOLVED FURTHER THAT** in case of offer/issue/allotment of Shares/Securities in Indian and/or International market under the respective guidelines of SEBI, RBI, or other appropriate authorities, as the case may be, the price (inclusive of premium) of the Shares and / or Securities shall not be less than the price arrived in accordance with the provisions of respective applicable guidelines, rules, regulations or directions.

**RESOLVED FURTHER THAT** the Company through its Board or any of its Committee and/or any agency or body authorised by the Company, may issue receipts/ certificates or other requisite documents representing the underlying Securities issued/to be issued by the Company with such features and attributes as are prevalent in Indian/International capital markets, for instruments of this nature and provide for the free tradability or transferability thereof as per laws, rules, regulations and guidelines under the forms and practices prevalent in the Indian/International market.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Securities or instruments or Equity Shares or Securities representing the same, the Board 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 without limitation, determining the type, form and manner of the issue, the class of eligible investors to whom the Securities are to be offered, issued and allotted in each tranche, issue price, face value, premium/discount amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, conversion or redemption period, appointment of Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants, Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such agreements / arrangements / Memorandum of Understandings / documents with any authorities / agencies, and listing of the Shares / Securities (including the resultant Equity Shares to be issued as per the terms of issue of the said Securities) on any Indian and/or Foreign Stock Exchange(s).

**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 of any Securities referred above as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.

**RESOLVED FURTHER THAT** the issue to the holders of the securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares, the price and the time period, etc. in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organization or restructuring in the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of the aforesaid Shares/Securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage / charge under Section 293 (1) (a) of the said Act in respect of the aforesaid securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or any Director or Directors or other officers of the Company, or to any intermediary or agent of the Company, or to such other person(s) as the Board may think fit and necessary in its absolute discretion."

Regd. Office:  
Avadh, Shree Ram Mills Premises,  
Ganpatrao Kadam Marg, Worli, Mumbai 400 018

**By order of the Board**  
**S. Kumars Nationwide Limited**

**Nimesh S. Shah**  
**Vice President & Company Secretary**

Place: Mumbai  
Date: 14<sup>th</sup> June, 2010

**Notes:**

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors vide circular resolution dated 14<sup>th</sup> June 2010 has appointed Shri Prashant Diwan, Practicing Company Secretary as the Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner and 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 Members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached pre – paid envelope, so as to reach the Scrutinizer on or before Monday, 26<sup>th</sup> July, 2010 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 his report to the Chairman after completion of the scrutiny and the results of postal ballot will be announced on Wednesday, 28<sup>th</sup> July, 2010 at the Registered Office of the Company at Avadh, Shree Ram Mills Premises, Ganpatrao Kadam Marg, Worli, Mumbai - 400 018.

The said date of declaration of the result of the Postal Ballot will be taken as the date of passing of the Resolutions.

4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Corporate Office of the Company situated at Sr. No. 90 / H No. 5, Inga Complex, 2<sup>nd</sup> Floor, Next to Onida House, Mahakali Caves Road, Andheri (East), Mumbai 400 093, during the office hours on all working days except 2<sup>nd</sup> and 4<sup>th</sup> Saturday between 11.00 a.m. and 1.00 p.m. upto Friday, 23<sup>rd</sup> July, 2010.
5. The said notice of postal ballot and ballot form has also been placed on the Company's website viz [www.sknl.co.in](http://www.sknl.co.in) for the perusal of the members / shareholders.

**Explanatory Statement**

(Pursuant to Section 173(2) and Section 192 A(2) of the Companies Act, 1956)

The Company has already obtained approval of the shareholders vide Special Resolution dated 12<sup>th</sup> August, 2009 by way of postal ballot for raising the necessary resources upto Rs. 500 Crores through QIP Mechanism. Since the validity of the said resolution is upto one year, the Company seeks a fresh approval of the shareholders. The shareholders are requested to vote on the enclosed Special Resolution, the contents of which are essentially the same as the one earlier Special Resolution, approved by the shareholders.

The said placement is to be done in order to achieve organic and inorganic growth in the business. Your company has undertaken various expansion plans including setting up of new production facilities which have synergies with the existing business of the Company. Accordingly, your Company proposes to tap capital markets to raise additional long-term resources to finance the expansion plans of the Company. In this regard, the Company proposes to raise resources to the extent of Rs. 500 Crores (Rupees Five Hundred Crores Only) or its equivalent in any foreign currency as the case may be (inclusive of such premium as may be determined) by way of issuance

of Equity Shares of the Company (“**Equity Shares**”) and/or any instruments or Securities representing Equity Shares and/or convertible into Equity Shares (either at the option of the Company or holder thereof) and / or any such instrument or security being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments or Securities (hereinafter collectively referred to as the “Securities”) in the domestic or international markets.

The pricing of the Securities to be issued to Qualified Institutional Buyers in 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 clause 85 of the said Regulations.

The Special Resolution seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers as defined under Chapter VIII of the SEBI ICDR Regulations.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors, and such Authority/Authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Securities (other than shares) issued under QIP issue pursuant to the offer, if necessary, may be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board of Directors in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities. As the documents to be executed between the security holders / trustees for the holders of the said securities and the Company may contain the power to take over the assets of the Company in certain events, enabling approval is also sought under Section 293 (1) (a) of the Companies Act, 1956.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed. Since the resolution involves issue of Equity Shares to persons other than existing shareholders, Special Resolution in terms of Section 81 (1A) is proposed for your approval.

The Equity Shares, which would be allotted, shall rank in all respects pari passu with the existing Equity Shares of the Company.

For the reasons aforesaid, an enabling resolution is proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalise the terms of the issue of Securities. The Equity Shares that may be issued pursuant to the Qualified Institutional Placement(s) or Equity Shares arising out of conversion of other Securities would be listed on the Indian Stock Exchanges where the Company's Equity Shares are listed.

Your Board of Directors recommends the above enabling resolution for your approval in the best interest of the Company.

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 resolutions by Postal Ballot) Rules, 2001.

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

Regd. Office:  
Avadh, Shree Ram Mills Premises,  
Ganpatrao Kadam Marg, Worli, Mumbai 400 018

Place: Mumbai  
Date: 14<sup>th</sup> June, 2010

**By order of the Board**  
**S. Kumars Nationwide Limited**

**Nimesh S. Shah**  
**Vice President & Company Secretary**