

AHMEDNAGAR FORGINGS LIMITED

Regd. Off : Gate No-614, Village Kuruli, Khed, Pune, Maharashtra - 410501.

POSTAL BALLOT NOTICE

(Pursuant to section 192 A of the Companies Act, 1956)

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, ('Rules') that the Resolutions appended below are proposed to be passed as Ordinary Resolutions, by way of voting by Postal Ballot.

Your consideration and approval is sought for the annexed Postal Ballot Resolutions. The Explanatory Statement pertaining to the Resolutions setting out to the material facts and the reasons thereof is annexed hereto along with Postal Ballot Form (the 'Form') for your consideration.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed in all respects in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer on or before the close of working hours on Friday, the 30th November 2012, the last date for the receipt of the completed Postal Ballot forms.

The Scrutinizer will submit her report to the Chairman of the Board after completion of the scrutiny and the result will be announced on Monday, the 3rd December 2012 at the Registered Office of the Company i.e. Gate No 614 Village Kuruli, Khed, Pune, Maharashtra-410501.

ITEM NO. 1

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

"RESOLVED THAT subject to the provisions of Section 293(1)(d) 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 (hereinafter referred to as the "Board", which term shall include any Committee thereof) for borrowing any sum or sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit so, however, that the total amount of such borrowing shall not exceed Rs. 4000 Crores (Rupee Four Thousand Crores Only) notwithstanding that the money or moneys to be borrowed together with the money's already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) may exceed 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(s).

ITEM NO. 2

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage or lease and/or create charge in addition to charge created/ to be created by the Company, on all or any of the moveable and/or immoveable, tangible and/or intangible properties of the Company, wherever situated, both present and future, with such ranking as the Board may in its absolute discretion decide, on such terms and conditions and at such time or times or in such form and manner as it may deem fit, in favour of various financial institutions/ Banks /Trustees for the Bond and/or Debenture holders etc. (hereinafter referred as "the lenders" to secure any Term Loans / Cash Credit Facilities / Debenture / Bonds or the like, obtained/ to be obtained from any of the aforesaid lenders not exceeding Rs. 4000 Crores (Rupee Four Thousand Crores Only) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other moneys payable by the Company to the aforesaid lenders in term of loan agreement(s) and/or any other document(s) entered into/ to be entered into between the Company and the lender(s)/agent(s)/ trustee (s) in respect of the aforesaid financial facilities including bank guarantee facility.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalize with the lenders, terms and conditions, including the nature and ranking of charge and/or mortgage documents for creation of mortgage and/or charge and to do all such acts, deeds, matters and things incidental thereto and to execute all such documents or writings as may be considered necessary for giving effect to this Resolution.

Company Secretary

RESOLVED FURTHER THAT the Board be and is hereby further authorized to settle any issue relating to security/ documentation etc., with the concerned lenders as may be considered appropriate by it".

**By Order of the Board
For Ahmednagar Forgings Limited**

Sd/-

(Swati Ahuja)

Company Secretary

Place : New Delhi

Date : 25th October 2012

NOTES:

1. Explanatory Statement and reasons for the proposed Special Business mentioned above pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956 is enclosed herewith.
2. The Company has appointed Ms. Iqneet Kaur, Practicing Company Secretary (who has given her consent to act as a scrutinizer) as Scrutinizer for the purpose of Postal Ballot Process.
3. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the members will also be accepted. The envelopes containing the Postal Ballot should reach the Company not later than the close of working hours on Friday, the 30th November 2012.
4. The result of the Postal Ballot shall be announced by the Chairman or in his absence by any other person, so authorized by the Chairman on Monday, 3rd December 2012 at 4.00 P.M. at the Registered Office of the Company i.e. at Gate No 614 Village Kurulikhed, Pune, Maharashtra 410501 and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. Result of the Postal Ballot shall be displayed at the Registered Office on Monday, 3rd December 2012.
5. A copy each of all the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. up to the date of declaration of the results of Postal Ballot.
6. Members are requested to carefully read the instructions printed on the enclosed Postal Ballot Form before exercising their vote.
7. Only a member entitled to vote is entitled to fill in Postal Ballot Form and send it to the Scrutinizer & that any recipient of the notice who has no voting right should treat the Notice as intimation only.

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE DATED 25TH OCTOBER, 2012 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-

ITEM NO. 1

As per sections 293(1) (d) and other applicable provisions of the Companies Act, 1956 the consent of shareholders is required for increasing the borrowing limits of the Company. The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limit by authorising the Board of Directors to borrow money, therefore it is proposed to increase the borrowing limit up to an amount of Rs. 4000 Crores (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business). Such enhanced borrowing limit would also enable the Company to borrow for its routine business purposes.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

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

ITEM NO. 2

The Company proposes to enhance the limit of mortgage of and/or creation of security on the moveable and/or immoveable properties of the Company, in order to commensurate the same with the borrowing limit as referred to in the resolution at Item No. 1.

As per the provisions of Section 293(1) (a) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the members, mortgage, lease and/or create charge in addition to charge created/ to be created by the Company, on all or any of the moveable and/or immoveable, tangible and/or intangible properties of the Company. Hence it is necessary to obtain approval for the same from the Shareholders voting by Postal Ballot.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

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

**By Order of the Board
For Ahmednagar Forgings Limited**

Sd/-

(Swati Ahuja)

Company Secretary

Place : New Delhi

Date : 25th October 2012

FOR AHMEDNAGAR FORGINGS LTD.


AHMEDNAGAR FORGINGS LIMITED

Regd. Off : Gate No-614, Village Kuruli, Khed, Pune, Maharashtra - 410501.

POSTAL BALLOT FORM

POSTAL BALLOT NO. _____

1. Name(s) of Member(s)
(Including Joint holders, if any) _____
2. Registered address of the Sole /
first named Member

3. Registered Folio No./DPID No./Client ID No.*
(*applicable to investors holding
shares in dematerialised form)
4. No. of Shares held _____
5. I/We hereby exercise my/our vote in respect of the Ordinary Resolutions to be passed through Postal Ballot for the business stated in Notice of Company by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark in the appropriate box below:

S. No.	Item	No. of Shares	I/We assent to the Resolution	I/We dissent to the Resolution
1	Ordinary Resolution to increase in the Borrowing Power u/s 293(1)(d) of the Companies Act, 1956 up to Rs. 4000 Crore (Rupees Four Thousand Crore Only).			
2.	Ordinary Resolution under section 293(1) (a) of the Companies Act, 1956 to mortgage and/or create charge on all and any of the movable and/or immovable properties of the Company upto Rs. 4000 Crore (Rupees Four Thousand Crore Only).			

Place :

Date :

(Signature of Member)

Note: Please read carefully the instructions printed below before exercising your vote.

INSTRUCTIONS:

1. A Member desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope (bearing the address of the Scrutinizer appointed by the Board of Directors of the Company). Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by Courier at the expense of the Member will also be accepted.
2. This Form should be completed and signed by the Member. In case of joint holding, this Form should be completed and signed (as per the specimen signature) registered with the Company or furnished by National Securities Depository Limited/Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialised form respectively) by the first named Member and in his/her absence, by the next named Member.
3. In case of shares held by Companies, trusts, societies etc. duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authorisation giving requisite authority to the person voting on the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form.
4. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Members.
5. The right of voting by Postal Ballot shall not be exercised by a Proxy.
6. Unsigned or incorrect Postal Ballot Form will be rejected.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 30th November, 2012; Postal Ballot Form received after this date will be treated as if the reply from the Member(s) has not been received.
8. A member may request for a duplicate Postal Ballot Form if so required. However, the duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item No. 7 above.
9. The voting right shall be reckoned on the paid-up value of Shares registered in the name of the Member(s) as on 26th October, 2012.
10. Member(s) are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope as such envelope will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
12. The results of the Postal Ballot will be declared at the Registered Office of the Company as specified in the Notice. The results will thereafter be published in newspaper(s), for the information of Members within 48 hrs of declaration.