

BIRLA COTSYN (INDIA) LIMITED

Regd. Office: Dalamal House, 1st Floor, Nariman Point, Mumbai 400 021



THE YASH BIRLA GROUP

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011)

Dear Member(s)

NOTICE is hereby given that the resolution appended below relating to the sale and transfer of the Company's undertaking located near Cotton Market, Parola Road (Dhule), Maharashtra including land admeasuring 37,080 sq. mtrs. along with building and other facilities constructed thereon, the plant and machinery, equipments, furnitures, fixtures and other fixed assets on "as is where is" and "as it is" basis (hereinafter referred to as "the said Undertaking") is proposed to be passed as an Ordinary Resolution by way of Postal Ballot.

Pursuant to the Section 293(1)(a) of the Companies Act, 1956 (the Act), sell, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the Members by way of an Ordinary Resolution. Further, pursuant to provisions of Section 192A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the consent/approval of the Members for the above purpose is required to be obtained by way of Postal Ballot.

The Board of Directors of the Company has appointed Shri Dilip Bharadiya (B.Com, A.C.S. and A.C.A), Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed overleaf on the Postal Ballot form and send the said Postal Ballot form duly completed and signed with the assent (for) or dissent (against), in the enclosed self-addressed business reply envelope so as to reach the Scrutinizer not later than close of working hours on Monday, the 16th day of April, 2012, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Members.

The Scrutinizer will submit his report to Shri Yashovardhan Birla, Co-Chairman or in his absence Shri P.V.R. Murthy, Managing Director after completion of the scrutiny of the Postal Ballots and the results thereof will be announced on Wednesday, the 18th day of April, 2012 at 4.00 p.m. at the Registered Office of the Company at Dalamal House, 1st Floor, Nariman Point, Mumbai 400 021 and the said date of declaration of result of Postal Ballot will be taken to be the date of passing of the Resolution.

The result will also be communicated to the Stock Exchanges (BSE & NSE) where the shares of the Company are listed, displayed on the Company's website at www.birlacotsyn.com and subsequently published in the newspapers.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution** through Postal ballot:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a), Section 192A read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to compliance of all applicable laws and regulations and subject to such approvals, consents, permissions and sanctions as may be necessary, the 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 be deemed to include any Committee which the Board may constitute for this purpose), to sell and transfer the Company's undertaking located near Cotton Market, Parola Road, Dhule, Maharashtra including land admeasuring 37,080 sq. mtrs along with building and other facilities constructed thereon, the plant and machinery, equipments, furnitures, fixtures and other fixed assets on "as is where is" and "as it is" basis (hereinafter referred to as "the said Undertaking") to any person(s) and/or entity(ies) as may be determined by the Board, for a consideration of not less than Rs. 7 Crores (Rupees Seven Crores only), arrived on the basis of the independent valuation carried out by Govt. Registered Valuer and on such terms and conditions as the Board may deem fit.

P.T.O.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, matters deeds and things as may be necessary, without further referring the matter to the Members of the Company, including finalizing the suitable purchaser(s) of the said Undertaking, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing necessary documents including agreements, deeds of assignment/conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, including the power to delegate, to give effect to this resolution."

By Order of the Board of Directors

Place: Mumbai

Dated: 13th February, 2012

Registered Office:

Dalamal House, 1st Floor,
Nariman Point, Mumbai 400021

Monica Gandhi
Company Secretary

Notes:

1. The consent of the Members is solicited by passing an Ordinary Resolution by way of Postal Ballot as detailed in the Notice.
2. Explanatory Statement setting out all material facts as required under Section 173 and 192A of the Companies Act, 1956, is appended.
3. This Notice is being sent under Speed Post to all the Members, whose name would appear in the Register of Members/Record of Depositories on Friday, the 2nd day of March, 2012.
4. Members are requested to carefully read the instructions printed overleaf on the Postal Ballot form before exercising their vote.

Explanatory Statement pursuant to Sections 173 and 192A of the Companies Act, 1956:

The Company is presently engaged in manufacturing of Synthetic Yarn, Cotton Yarn and Cotton Ginning & Pressing at its various manufacturing units at Malkapur (Buldhana), Khamgaon (Buldhana), Shegaon road (Khamgaon) Ghatanji (Yavatmal) and Parola Road (Dhule).

However, the operations of Cotton Ginning and Cotton Pressing at the said undertaking located near Cotton Market, Parola Road, (Dhule), Maharashtra has not been yielding desired profits due to lack of infrastructural facilities at its location being in the remote and interior region of Maharashtra and slack in demand. In view of the same, the Company has been intermittently operating the facility since last 3 years. Further, the aforesaid factors also do not justify further investments for its revival.

The consideration to be received on sale and transfer of the said undertaking is proposed to be utilized in paying off the Company's long term debts. The said arrangement will enable the Company to reduce the interest costs thus improving the profits of the Company. Further, the Company is in the process of negotiating the consideration and other terms & conditions with the potential purchaser(s) of the said Undertaking. In view of the same, the Board of Directors at its meeting held on 13th February, 2012 has subject to the approval of Members of the Company and other applicable laws and subject to such approvals, consents, permissions and sanctions as may be necessary, approved to sell and transfer the undertaking located near Cotton Market, Parola Road, Dhule, Maharashtra including the land admeasuring about 37,080 sq. mtrs. along with building and other facilities constructed thereon, the plant and machinery, equipments, furnitures, fixtures and other fixed assets on "as is where is" and "as it is" basis to any person(s) and/or entity(ies) as may be determined by the Board, for a consideration of not less than Rs. 7 crores (Rupees Seven Crores only), arrived on the basis of the independent valuation carried out by Govt. Registered Valuer and on such terms and conditions as the Board of Directors may deem fit.

The Valuation Report, carried out by Govt. Registered Valuer is open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays and Sundays) between 2.00 p.m. to 4.00 p.m. upto the last date of receipt of Postal Ballot form i.e. Monday, the 16th day of April, 2012.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interests of the Company and recommends the approval of the Members through Postal Ballot for passing the Ordinary Resolution as set out in the above Notice.

None of the Directors is in any way interested or concerned in the passing of the said Resolution.

By Order of the Board of Directors

Place: Mumbai

Dated: 13th February, 2012

Registered Office:

Dalamal House, 1st Floor,
Nariman Point, Mumbai 400021

Monica Gandhi
Company Secretary