



pricol limited

109 race course coimbatore 641 018 india
phone + 91 422 4336000 fax + 91 422 4336299
e mail city@pricol.co.in website www.pricol.com

PL/SEC/TGT/2012-13/122
Wednesday, October 10, 2012

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza", C-1, Block G
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051

Through Courier

Dear Sir,

Sub: **Result of the Postal Ballot** – To transfer on a slump basis and as a going concern, the Company's Denso Technology Instrument Cluster Undertaking related to the Four Wheeler Personal Passenger Vehicles situated at Company's locations at Coimbatore and at Gurgaon, together with rights, assets and liabilities primarily used for and attributable to the said undertaking to "Pricol Components Limited" a Wholly Owned Subsidiary (WOS) of the Company.

We would like to inform that the Company on 1st September 2012 despatched the postal ballot notice dated 27th August 2012 under Section 192A(2) of the Companies Act, 1956, to all the shareholders, for obtaining the consent of the shareholders to transfer on a slump basis and as a going concern, the Company's Denso Technology Instrument Cluster Undertaking related to the Four Wheeler Personal Passenger Vehicles situated at Company's locations at Coimbatore and at Gurgaon, together with rights, assets and liabilities primarily used for and attributable to the said undertaking to "Pricol Components Limited" a Wholly Owned Subsidiary (WOS) of the Company, as Ordinary Resolution by means of Postal Ballot.

The result of the voting conducted through the above Postal Ballot as per the report of the Scrutinizer Mr.K.Sriram, Partner,M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai is as follows:

Particulars	No. of Postal Ballots	No. of votes cast	% of valid votes cast
Total number of Postal Ballots received from the shareholders and Votes	1,034	45,168,849	-
Less: Invalid Postal Ballots / Votes	92	176,500	-
Net valid Postal Ballots / Votes	942	44,992,349	100.00
Votes in favour of Resolution	914	44,954,800	99.92
Votes against of Resolution	28	37,549	0.08

Out of the valid votes polled, **99.92% have been cast in favour** of the resolution and 0.08% against the resolution.

Accordingly the **Chairman declared that the Ordinary Resolution circulated vide postal ballot notice dated 27th August 2012 (Copy enclosed) was passed with requisite majority.**

Thanking You.

Yours faithfully,

T.G.Thamizhanban
Company Secretary

Encl : Postal Ballot Notice

ISO 14001
OHSAS 18001
BUREAU VERITAS
Certification



ISO TS 16949
BUREAU VERITAS
Certification





pricol limited

CPM Towers, 109, Race Course, Coimbatore - 641 018, India

NOTICE

To
The Shareholders,

NOTICE IS HEREBY GIVEN THAT pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the resolution by postal ballot) Rules, 2011, the below mentioned Ordinary Resolution to transfer on a slump basis and as a going concern the Company's Denso Technology Instrument Cluster Undertaking related to the Four Wheeler Personal Passenger Vehicles situated at company's locations at Coimbatore and at Gurgaon, together with rights, assets and liabilities primarily used for and attributable to the said undertaking to "Pricol Components Limited", Wholly Owned Subsidiary Company of Pricol Limited, is proposed to be passed by a postal ballot process.

In terms of Section 293 (1) (a) read with Section 192A of the Companies Act, 1956 and the applicable rules thereto, the Company is seeking your approval for the transfer as aforesaid through a Postal Ballot. The proposed ordinary resolution and the explanatory statement setting out all material facts and the rationale for the proposal is appended below for your consideration and a postal ballot form is enclosed to enable you to exercise your vote on the proposal.

Resolution to be passed under Section 293(1)(a) of the Companies Act, 1956 to approve the transfer on a slump basis and as a going concern, the Company's Denso Technology Instrument Cluster Undertaking related to the Four Wheeler Personal Passenger Vehicles situated at company's locations at Coimbatore and at Gurgaon, together with the rights, assets and liabilities primarily used for and attributable to the said undertaking to "Pricol Components Limited" a Wholly Owned Subsidiary (WOS) of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and all other applicable provisions, of the Companies Act, 1956, the provisions contained in the Memorandum and Articles of Association of the Company and subject to such approvals and permissions as may be required from lenders and other authorities, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a Committee of Directors constituted for this purpose) to transfer on a slump basis and as a going concern, the Company's Denso Technology Instrument Cluster Undertaking related to the Four Wheeler Personal Passenger Vehicles situated at Company's locations at Coimbatore and at Gurgaon, together with rights, assets and liabilities primarily used for and attributable to the said undertaking ("the undertaking") to "Pricol Components Limited", a Wholly Owned Subsidiary of the Company (WOS).

"RESOLVED FURTHER that the Board be and is hereby authorised to finalise the terms and conditions for transfer of the business, rights, assets and liabilities of the Undertaking as aforesaid, the mode and structure of such transfer and consideration, finalise the effective date of such transfer and to do all such acts, deeds, matters and things, including but not limited to the execution of all necessary documents, agreements, deeds of assignment / conveyance and other writings as they may deem necessary or expedient in their sole discretion to give effect to the Resolution."

"RESOLVED FURTHER that the transfer on a slump basis and as a going concern would cover the rolls of WOS and include the transfer of identified Staff, Workmen and employees connected to the Undertaking who shall, on such identification and transfer, be deemed to have become staff, workmen and employees of WOS without any break in their service and on the basis of continuity in their service and on the same terms and conditions of their present employment."

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate / sub-delegate such powers, privileges and authorizations required to be delegated / sub-delegated in connection with consummation of the aforesaid transfer into "Pricol Components Limited", to employees of the company, identified by the Board in this behalf, in its full and absolute discretion and as may be deemed appropriate by it."

By order of the Board,

Coimbatore, 27th August 2012

VIJAY MOHAN
Chairman

Notes:

1. An explanatory statement as required under Section 173 of the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. The Board of Directors has appointed Mr.K. Sriram, Partner, S.Krishnamurthy & Co., Practicing Company Secretary as the Scrutinizer for conducting the postal ballot voting process in accordance with law and in a fair and transparent manner.
3. You are requested to carefully read the instructions printed on the attached Postal Ballot Form, **exercise your vote** and return the Form duly signed and completed in the enclosed self-addressed, prepaid postage envelope, so as to reach the Scrutinizer before the close of working hours (1800 hours) on or before 1st October 2012. No other form or photocopy of the form will be recognised.
4. The Scrutinizer will submit the report to the Chairman of the Company after completion of the scrutiny of the Postal Ballot forms.
5. The results thereof will be announced by the Chairman or any other director of the company on 10th October 2012 at 3.00 p.m. at the Registered Office of the Company.
6. The above resolution being an Ordinary Resolution shall be declared as passed, if the number of votes cast in its favour exceeds the number of votes cast against the said resolution.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Pricol Limited manufactures Instrument Clusters, Speedo Cables, Sensors, Accessories & Sub-assembly Components, Oil Pumps, Idle Speed Control Valve Assembly, Vehicle Security System and other Auto Components. The components manufactured by Pricol are supplied to almost all the Vehicle Manufacturers in Personal Passenger Vehicles (Scooter, Motorcycle, Cars & MPVs), Utility Vehicle, Medium & Heavy Commercial Vehicle, Light Commercial Vehicle and Three Wheelers.

The major portion of the Company's business is in the segment of instruments for all types of vehicles. The trend of instruments is moving more and more towards electronics, integrated with information flow within the vehicle and having advanced and attractive displays. This requires our company to have a very close association with global players in vehicle instrument manufacturing.

The market share of Japanese Vehicle makers in India is expected to continue to be substantially over 50%. To maintain and increase our share of business with Japanese Vehicle makers in India, we need to have close partnership with a Global Vehicle Instrument manufacturing company having close association with Japanese Vehicle Manufacturers.

Hence transferring our company's present Denso Technology instrument business undertaking for Japanese cars made in India to a Wholly Owned Subsidiary (WOS) and thereafter forming a Joint Venture (JV) with a Global Vehicle Instrument supplier as mentioned above would be in the interest of the company's growth. This also would help in adding new products to the JV for supply to Japanese car makers in India.

To facilitate this process, it is proposed to transfer on slump basis and as a going concern the Company's Denso Technology Instrument Cluster Undertaking related to the Four Wheeler Personal Passenger Vehicles situated at company's location at Coimbatore and at Gurgaon, together with rights, assets and liabilities primarily used for and attributable to the said undertaking to "Pricol Components Limited", a Wholly Owned Subsidiary (WOS) of the company.

Sale of the Personal Passenger Vehicle instrument business during 2012-13 to (a) Maruti Suzuki India Limited (b) Toyota Kirloskar Motor Private Limited, and (c) Magyar Suzuki Corporation, Hungary, from company's said undertaking at Coimbatore and Gurgaon, is projected at Rs.700 million.

The net book value of the undertaking to be transferred on a slump basis and as a going concern is estimated to be approximately at Rs.50 million. The transfer value of the above business undertaking will be approximately Rs.500 million.

The planned effective date for the above transactions would be March 2013.

This is in line with our similar transfer of Undertaking carried out with the permission of our Shareholders and formation of Joint Venture earlier in 2012.

The transaction will be inter alia subject to the following conditions:

1. Prior approval of the Shareholders under Section 293 (1) (a) and all other applicable provisions of the Companies Act, 1956.
2. The receipt by the Company of any statutory / regulatory approvals that may be necessary for the consummation of the transaction from any Government or regulatory authority.
3. Transfer of existing borrowings to the extent they relate to the business transferred to Pricol Components Limited with the approval of the lenders.

Section 293 (1) (a) of the Companies Act, 1956 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of the members of the Company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking. The members are requested to empower the Board (including any Committee of the Board) with the requisite authority under Section 293 (1) (a) of the Companies Act, 1956 to transfer on slump basis and as a going concern the company's instrument cluster undertaking related to the Denso Technology Four Wheeler Personal Passenger Vehicles situated at Company's locations at Coimbatore and at Gurgaon, together with rights, assets and liabilities primarily used for and attributable to the said undertaking to "Pricol Components Limited", a Wholly Owned Subsidiary of the company.

Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2011, the consent of the shareholders is sought to be obtained through Postal Ballot by way of Ordinary Resolution.

All the relevant documents are available for inspection at the Registered Office of the company between 2 p.m to 5 p.m on all working days upto 10th October 2012.

The Board recommends the passing of the resolution for approval of members by casting their vote through the Postal Ballot Form, which is sent along with the Notice.

None of the directors of the Company is concerned or interested in the said resolution, except to the extent of directorship that may be held by them in Pricol Components Limited.

By order of the Board,

Coimbatore, 27th August 2012

VIJAY MOHAN
Chairman