



Regd. Office: Syndicate House, Manipal – 576 104
UDUPI DIST. (KARNATAKA)

NOTICE OF POSTAL BALLOT
(Pursuant to Section 192A of the Companies Act, 1956)

Dear Member(s),

Sub: Passing of Resolution by Postal Ballot

NOTICE is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, that the following Special Business for the purpose of making Inter Corporate investments by acquiring shares under Section 372A of the Companies Act, 1956 is circulated herewith for your approval:

Your consent for the proposed resolution is sought to be obtained by means of postal ballot instead of transacting such business in general meeting of the Company:

1. To consider and if thought fit, to give assent/dissent to the following resolution as a ***Special Resolution***:

“RESOLVED THAT pursuant to provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for making investment upto Rs.1.25 Crores comprising 2,83,925 Equity Shares of ICDS Securities Ltd. either in the form of preferential allotment or by acquiring shares from the existing promoters in the Group in the form of inter-se transfer or both (in order to maintain 40% of holding in ICDS Securities Ltd. by the Company as a dominant shareholder) notwithstanding that the said investment exceeds the limit for investment in the said company prescribed under the provisions of Section 372A of the Companies Act, 1956 and that the Board of Directors of the Company be and is hereby authorised to agree to such conditions in relation to the investment in shares of ICDS Securities Ltd.”

For and on behalf of the Board

Date : 17-03-2011

Place : Manipal

Sd/-

Chairman & Whole-Time-Director

NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for the proposed special business is enclosed and forms part of this notice.
2. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, and all other applicable provisions, if any, of the applicable laws, the assent/dissent of the members in respect of the resolutions contained in the postal ballot notice dated 17th March, 2011 is determined through postal ballot.
3. The Votes should be cast either in favour or against by putting the tick (✓) mark in the columns provided for assent (For) or dissent (Against). Postal Ballot Form bearing (✓) in both the columns will render the form invalid.
4. The Company has appointed Mr. Ananthanarayana Pai K., Chartered Accountant, as a Scrutinizer for the purpose of Postal Ballot exercise.

5. The Notice is being sent to all the members whose names would appear in the Register of Members/Record of Depositories as on the date of Notice.
6. The members are requested to return the Postal Ballot form duly completed in all respect in the attached self-addressed (postage will be borne and paid by the company) business reply envelope so as to reach, the Scrutinizer, Mr. Ananthanarayana Pai K., C/o ICDS Ltd., IV Floor, Syndicate House, Manipal 576 104 (Udupi Dist., Karnataka) not later than the close of working hours on Tuesday, April 26th, 2011. The consents or otherwise received after close of working hours on Tuesday, April 26, 2011 shall be treated as if reply from the member has not been received.
7. The result of the Postal Ballot will be announced by the Chairman, or in his absence any other person, so authorized by the Chairman on Thursday, April 28, 2011 at the Regd. Office: Syndicate House, Manipal at 4.00 p.m. 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 has assented to the Resolutions.
8. Members are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising their votes.

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

Item No. 1:

Your Company has investments in M/s. ICDS Securities Ltd. with the current share-holding at 40% of the paid-up equity share-capital and thereby your Company is identified as the Dominant Share-holder and main promoter of ICDS Securities Ltd.

ICDS Securities Ltd., is proposing to issue additional equity shares on preferential allotment basis (at a premium) to a strategic investor that is a Foreign Corporate entity and this association with them would substantially improve the business prospects for its future growth, which in turn would also benefits your Company.

Your Company has given an undertaking to the National Stock Exchange of India Ltd., (NSE) to the effect that it will continue to hold 40% of the issued capital of ICDS Securities Ltd., at any point of time as a dominant share-holder. Consequent to the issue of additional shares on preferential allotment basis to a strategic foreign investor as proposed by ICDS Securities Ltd., the percentage of holding will get diluted and come down below 40%. To maintain that 40% level, your company has to invest in the additional shares to be issued by ICDS Securities Ltd. and/or by acquiring shares from the existing promoters in the Group.

In terms of the provisions of Section 372A (1) of the Companies Act, 1956, a Company which makes a loan, give any guarantee or provide security in connection with a loan and acquire any securities of other body corporate exceeding sixty per cent of its paid-up share capital and free reserves, or hundred per cent of its free reserves, whichever is more, required approval of the members of the Company by way of special resolution in a General Meeting.

The proposed investment upto Rs.1.25 Crores, comprising 2,83,925 Equity Shares of ICDS Securities Ltd. exceeds the limits specified under Section 372A (1) of the Companies Act, 1956. Hence as per the provisions of Section 372A read with Section 192A of the Companies Act, 1956 and the Companies (Passing of Resolution by Postal Ballot) Rules 2001, approval of the members is sought by way of special resolution for the said investment.

The Board of Directors of the Company has recommended passing a resolution set out in the attached Notice for the approval of members by way of special resolution through "postal ballot".

None of the Directors of the company are interested in the said resolution.

For and on behalf of the Board

Date : 17-03-2011

Place : Manipal

Sd/-

Chairman & Whole-Time-Director



Regd. Office: Syndicate House, Manipal – 576 104
UDUPI DIST. (KARNATAKA)

POSTAL BALLOT VOTING FORM

(Please read the instructions printed overleaf carefully before completing this Form)

Sl. No.

1.	Name of Shareholder(s) (IN BLOCK LETTERS) (Including Joint holders, if any)	:	
2.	Registered Address of the Sole/First named shareholder	:	
3.	Registered Folio No./DP ID No. Client ID No.* (*DP ID No./Client ID No. Applicable to investors holding shares in dematerialized form)	:	
4.	Number of Shares held	:	

I / We hereby exercise my/our vote in respect of the Special Resolution(s) to be passed through Postal Ballot for the special business as stated in the accompanying Notice by conveying my/our assent or dissent to the said Resolution(s) by placing the tick(✓) mark at the appropriate box below:

Special Resolution No.	Description of the Resolution(s)	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	To accord consent to make investments in equity shares of M/s ICDS Securities Ltd. in excess of the limits specified under Section 372A(1) of the Companies Act, 1956.			

Place :

Signature _____

Date :

Name _____

INSTRUCTIONS:

1. A member desiring to exercise vote by Postal Ballot is requested to complete this Postal Ballot Form in all respect and send the same to the Scrutinizer, in the self-addressed (postage to be paid by addressee) envelope so as to reach Mr. Ananthanarayana Pai K., the Scrutinizer, C/o ICDS Ltd., IV Floor, Syndicate House, Manipal 576 104 not later than closure of working hours on Tuesday, 26th April, 2011. If the Postal Ballot is received after Tuesday, 26th April, 2011, the same shall be treated as if reply from the share-holder has not been received. The envelope containing Postal Ballot Forms, if sent by Courier at the Registered Office, at the expenses of the registered shareholder will also be accepted.
2. In terms of the provisions of Rule 5(b) of the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, Mr. Ananthanarayana Pai K., Chartered Accountant has been appointed as Scrutinizer for conducting the Postal Ballot.
3. The assent/dissent received otherwise than on the Postal Ballot Form, shall not be considered.
4. The Postal Ballot Form shall be completed and signed by the share-holder. In case of joint holders, this form should be completed and signed by the first named share-holder and in his absence by the next named joint holder. The signature should match with the specimen signature registered with the Company in respect of shares held in physical form and with the specimen signature registered with the depositories in respect of shares held in electronic form. The Postal Ballot form shall be rejected if the signature on the Postal Ballot Form does not match with the specimen signature registered with the Company. The Postal Ballot Form incomplete in any manner whatsoever shall be liable to be rejected.
5. Where the Postal Ballot Form has been signed by an authorized representative of a Body Corporate, a certified copy of the Board Resolution authorizing the signatory to execute and sign the Postal Ballot Form should be attached to the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or Governor of State, certified copy of the nomination should accompany the Postal Ballot Form. A member may sign the Postal Ballot form through an Attorney appointed specially for this purpose, in such case an attested true copy of the power of attorney should be attached to Postal Ballot Form.
6. The Shareholders are requested to note that no other document except duly completed Postal Ballot Form together with authorizations, if any (as mentioned in Sl. No.5 above), should be sent in the self addressed (postage to be paid by Company) envelope.
7. The Voting rights will be reckoned on the paid-up value of shares registered in the name of share-holders as on the date of issue of Notice.
8. The result of the Postal Ballot will be announced on Thursday, April 28, 2011 at the Regd. Office: Syndicate House, Manipal 576 104 at 4.00 p.m.