

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli, Tamil Nadu)

Phone No. 04329-235132 Fax No. 04329-235111

CIN L26942TN1951PLC000640 Website: www.dalmiasugar.com

POSTAL BALLOT NOTICE

Dear Member,

Notice of Postal Ballot pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22(16) of the Companies (Management and Administration) Rules, 2014, that the Resolutions appended to this Notice are proposed to be passed as Special Resolution by way of Postal Ballot. The Explanatory Statement pertaining to the Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot form (the “Form”) for your consideration.

The Board of Directors of the Company (the “Board”) has appointed Shri Harish Khurana, Practicing Company Secretary, as the Scrutiniser for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed on the reverse of the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Monday, the **1st day of September, 2014**.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this Notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutiniser will submit his report to the Director. The result of the Postal Ballot would be announced by a Director or the Company Secretary of the Company on Monday, 8th day of September 2014 at the Registered Office of the Company. The aforesaid result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers and displayed along with the Scrutiniser’s report on the Company’s website viz. www.dalmiasugar.com.

SPECIAL RESOLUTION TO BE PASSED THOROUGH POSTAL BALLOT:

1. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution:**

“ **RESOLVED BY WAY OF SPECIAL RESOLUTION THAT** the consent of the Company be and is hereby accorded in terms of section 180(1)(a) and other applicable provisions of the Companies Act, 2013 to the Board of Directors of the Company to mortgage, pledge and/or to charge all or any of the movable and immovable properties of the Company wheresoever situate, present and future, and whole of undertaking of the Company to or in favour of the Financial Institution(s)/Bank(s)/Lenders to secure an amount not exceeding ₹ 2,800 crores in the aggregate together with costs, charges, expenses and all other moneys payable, in respect of such Borrowings.”

“ **RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to negotiate and accept the terms and conditions laid down by the Financial Institution(s)/Bank(s)/Lender(s) including doing and executing all such acts, deeds and things as may be necessary for giving effect to the above Resolution.”

2. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution:**

a). “ **RESOLVED BY WAY OF SPECIAL RESOLUTION THAT** pursuant to the provisions of Section 62(1)(c) and section 42 read with Sections 179(3)(a)/ 179(3)(c)/ 179(3)(d), and other applicable provisions of the Companies Act, 2013, and relevant clauses of Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges and the guidelines laid down by the Securities and Exchange Board of India in this behalf and further subject to any necessary approval, consent, permission and/or sanction of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and any other appropriate authorities, if any, and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction (which the Board is authorised to agree to), the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee

thereof for the time being exercising the powers conferred on the Board by this resolution) be and is hereby authorised on behalf of the Company to issue and allot, on a private placement basis or under a Letter of Offer, in the course of Indian/International Offerings in one or more foreign markets, Equity Shares, Preference Shares, Non-Convertible Debentures/Partially Convertible Debentures / Optionally Convertible Debentures/ Indian Depository Receipts/ Qualified Institutional Placement/Global Depository Receipts /American Depository Receipts/Special Promissory Notes/Bonds/Foreign Currency Convertible Bonds/ Warrants, etc, (hereinafter referred to as “Securities”) and/or any securities convertible into Equity Shares at the option of the Company and/or holder of the Securities subscribed in Indian/Foreign Currency(ies) to Indian/Foreign investors (whether institutions and/or incorporated Bodies and/or promoters and/or individuals or otherwise) of value not exceeding ₹ 50 Crores, which upon conversion of all securities so issued or allotted, could give rise to the issue of Equity Capital of an aggregate face value upto ₹ 4 crores divided into 2,00,00,000 Ordinary Shares of ₹ 2/- each of the Company, such issue and allotment to be made at such time or times, in such tranche or tranches, at such price or prices at a premium to market price or prices in accordance with the prevailing guidelines issued by the Securities and Exchange Board of India, in such manner as the Board may, in its discretion think fit, in consultation with the Lead Managers and Underwrites, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.”

- (b) “ **RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms in accordance with local/international practice including but not limited to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever, and all such terms as are provided in International Offerings of this nature including terms for issue of additional Equity Shares or variation of the conversion price of the Security during the duration of the Security.”
- (c) “ **RESOLVED FURTHER THAT** the Board is authorised to enter into and execute all such agreements with any Lead Managers, Managers, Underwriters, Guarantors, Depositories, Depositors, Trustees (in case of Debt Instruments), Custodians and all such agencies, National and/or International as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commission, brokerage, fees of the like, also to seek the listing of such Security or Securities representing the same in one or more International and/or National Stock Exchanges, so however that no commission or brokerage shall be payable in case of issue of such Securities to the Promoters”.
- (d) “ **RESOLVED FURTHER THAT** in event the Board decides to make a Qualified Institutional Placement under Chapter VIII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (‘the Regulations’), the allotment is to be made to the Qualified Institutional Buyers pursuant to Chapter VIII and the price of the underlying Equity Shares shall be determined with reference to the “relevant date” as defined in Regulation 81 of the said Regulations.”
- (e) “ **RESOLVED FURTHER THAT** the Company and/or any agency or body authorised by the Company may issue Depository Receipts representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets.”
- (f) “ **RESOLVED FURTHER THAT** the issue as above shall be deemed to have been made in India or abroad in the market and/or at the place of issue of the Security in the Indian or international market and shall be governed by the Law as may be applicable and as decided by the Board.”
- (g) “ **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/exchange of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares ranking pari passu with the existing Equity Shares of the Company in all respects, excepting such right as to dividend as may be provided under the terms of the issue and in the Offer Document.”
- (h) “ **RESOLVED FURTHER THAT** consent of the Company be and is hereby granted in terms of sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors to mortgage and/or charge in addition to mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all

or any of the moveable and/or immovable properties of the Company, both present or future, and/or the whole or any part of the undertakings of the Company for securing any or all of the securities (if they comprise fully/partly secured debt instruments) together with interest, further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed/Other Documents to be finalised and executed by the Company.”

- (i) “ **RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of Equity Shares or Securities or instruments or Securities representing the same, as described in paragraph (a) above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including deferment of the proposal in whole or in part to some later date and without limitation the entering into of underwriting, marketing and depository arrangements and with powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.”

By Order of the Board
For Dalmia Bharat Sugar and Industries Limited

Place: New Delhi
Dated: 16-5-2014

(K.V. Mohan)
Company Secretary

EXPLANATORY STATEMENT

[Pursuant to the provisions of section 102 of the Companies Act, 2013]

Item No. 1:

As per the General Circular No. 4/2014 dated 25-3-2014 the Ordinary Resolutions passed by the Shareholders pursuant to section 293(1)(a)/293(1)(d) of the Companies Act 1956 relating to delegation of power to the Board of Directors to borrow money apart from temporary loans from bankers and to create security on the assets of the Company are required to be replaced within a period of one year with Special Resolutions passed under the provisions of section 180 (1)(a)/180(1)(c) of the Companies Act, 2013. Accordingly, in order to comply with the requirements of the aforesaid Circular, the Board decided to obtain shareholders consents by way of Special Resolutions in respect of borrowings as well as creation of security. As section 110 of the Companies Act, 2013 read with Rule 22(16) of the Companies (Management and Administration) Rules, 2014 requires the Resolution relating to creation of securities to be passed by Postal Ballot, the Board recommends the Resolution at item no. 1, authorising the Board to create security on the assets of the Company in respect of borrowings made by the Company to the extent of ₹ 2,800 crores, to be passed by the Members as a Special Resolution pursuant to section 180(1)(a) of the Companies Act, 2013 by means of this Postal Ballot.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution set out at Item No. 1 above.

Item No. 2

The Company proposes to raise funds for its projects being set up/ proposed to be taken up for implementation by issue of securities as mentioned in the Resolution to the extent of around ₹ 50 crores. These securities, if and when converted into Equity Shares will rank pari passu with the existing Equity Shares of the Company. Approval of the Members is required by way of a Special Resolution under the provisions of section 62(1)(c) of the Companies Act, 2013 read with other applicable sections of the said Act and Rules framed thereunder for offering shares/securities to persons other than the existing shareholders of the Company. In event the funds are raised as debts, approval of the Members to mortgage the assets of the Company is also required. Hence, the Special Resolution is proposed and your Directors commend the same.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 2 above.

INSTRUCTIONS FOR VOTING

Voting through Physical Postal Ballot Forms:

1. The Members are requested to carefully read the instructions printed on the reverse of the Postal Ballot Form duly completed with the assent (for) or dissent (against) in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutiniser, before Monday the 1st day of September, 2014 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

2. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form is permitted.
3. Envelopes containing Postal Ballot Form, if deposited, in person or sent by courier at the expense of the Members will also be accepted.

E Voting Facility:

- A In case a Member receives an e-mail from Karvy [for members whose e-mail IDs are registered with the Company/Depository Participants(s)]:
 - (i) Launch internet browser by typing the following URL: <http://evoting.karvy.com>.
 - (ii) Shareholders of the company holding shares either in physical form or in dematerialised form, as on the record date, may cast their vote electronically.
 - (iii) Enter the login credentials (i.e., User ID and password mentioned on the Postal Ballot Form). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iv) After entering these details appropriately, click on "LOGIN".
 - (v) You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (vi) You need to login again with the new credentials.
 - (vii) On successful login, the system will prompt you to select the "EVENT" i. e. "Dalmia Bharat Sugar and Industries Limited."
 - (viii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - (ix) Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
 - (x) Cast your vote by selecting an appropriate option and click on "Submit".
 - (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
 - (xii) Corporate/Institutional Members (i.e other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at E-mail ID: office@roseconsultants.in, with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- B In case a Member receives physical copy of the Notice of Postal Ballot [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
 - (i) User ID and initial password as provided on the Form.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast your vote.

GENERAL:

1. The physical voting/e-voting period commences on Saturday, 2nd August, 2014 (9:30 am) and ends on Monday, 1st September, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being 18th July, 2014 may cast their vote. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. at Tel No. 18003454001 (toll free).
3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th July, 2014.
5. The Board of Directors has appointed **Mr. Harish Khurana, Practicing Company Secretary**, as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
6. The Results shall be declared by a Director or the Company Secretary on 8th day of September, 2014 at 4.00 p.m. and the Resolutions will be deemed to be passed on the said date subject of the requisite number of votes in favour of the Resolution(s)
7. The Results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.dalmiasugar.com and shall also be communicated to the Stock Exchanges.

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli, Tamil Nadu)

Phone No. 04329-235132 Fax No. 04329-235111

CIN L26942TN1951PLC000640 Website: www.dalmiasugar.com

POSTAL BALLOT FORM

(To be returned to the Company)

(FOR PHYSICAL VOTING ONLY)

S. No.:

1. Name(s) of Shareholder(s) :
(Including joint holder(s), if any)
2. Registered address of the sole/ First named Shareholder :
3. Folio No./DP ID No./Client ID No. :
4. Number of share(s) held :
5. I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated **16th May, 2014** by conveying my/our assent or dissent to the said Resolution by placing the tick (✓) mark in the appropriate box below :

Brief Description of the Resolution	No. of Share(s)	Please Tick (✓) in the appropriate box below	
		I/We assent to the Resolution	I/We dissent to the Resolution
Special Resolution under section 180(1)(a) of the Companies Act, 2013 to authorise the Board of Directors to provide security by way of mortgage and/or charge all or any of the assets of the Company to the extent of ₹ 2,800 crore in aggregate.			
Special Resolution seeking approval of shareholders 62(1)(c) and section 42 read with Sections 179(3)(a), 179(3)(c), 179(3)(d) of the Companies Act, 2013 for issuance and allotment of further securities convertible into equity shares to the extent of ₹ 50 crores which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹ 4 crore.			

Place

Date:

(Signature of the Shareholder(s))

.....cut from here.....

E-voting facility particulars (to be retained with the shareholder)

EVEN (E- Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please read the Notes carefully before filling the form.

INSTRUCTIONS:

1. A member desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form in all respects and send it to the scrutiniser in the attached self-addressed Business Reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Forms, if deposited in person or sent by courier at the expense of the members will also be accepted.
2. The self-addressed Business Reply Envelope bears the name of the Scrutinizer appointed by the Company and the address to which the Postal Ballot Form has to be despatched.
3. This form should be completed and signed by the sole/first named member. In the absence of first named member, in case of joint holding, the Form may be completed and signed by the first named member and in his absence by the next named member. The signature of the member on this Postal Ballot Form should be 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 dematerialized form, respectively.
4. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authority together with attested specimen signatures of the duly authorized signatory(ies). Postal Ballot Form signed by the holder of power of attorney for and on behalf of a member of the Company must be accompanied by the attested true copy of Power of Attorney. If the same is already registered with the Company or the Registrar, please quote the Registration No. beneath the signature.
5. Members are requested not to send any other papers along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelopes as all such envelopes will reach directly to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
6. The votes should be cast either in favour of or against the Resolution(s) by putting the tick mark in the column provided for assent or dissent. Postal ballot form bearing (/) in both the column will render the form invalid. Incomplete, unsigned, incorrectly filed or bearing more than one (/) Postal ballot forms will be subject to rejection by the scrutinizer.
7. The right of voting by Postal Ballot shall be exercised only by the members.
8. A member need not use all the votes nor needs to cast all the votes in the same way.
9. There will be only one Postal Ballot Form for every Folio/DP ID & Client ID irrespective of the number of joint Member(s). The photocopy of the Postal Ballot Form will not be considered valid.
10. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on Monday, 1st September, 2014. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
11. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member as on the date of the despatch of notice.
12. Votes will be considered invalid on the following grounds:
 - i. If the Member's Signature does not tally.
 - ii. If the member has marked all his shares both in favour and also against the resolution.
 - iii. If the Ballot paper is unsigned,
 - iv. If the Ballot paper is filled in pencil or signed in pencil.
 - iv. If the Ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the Signature could not be checked or one or more of the above grounds.
13. The Scrutinizer's decision on the validity of the Postal Ballot will be final.
14. The results of the Postal Ballot will be declared at the Registered Office of the Company as specified in the Notice. The results and report of the Scrutinizer will also be hosted on the Company's website www.dalmiasugar.com and the results will thereafter be published in newspapers, for the information of members.