

Welspun Syntex Limited

Registered Office: Survey No.394 (P), Village Saily, Silvassa (U.T) Dadra & Nagar Haveli
Corporate Office: B/3, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

NOTICE FOR POSTAL BALLOT

Dear Member(s),

NOTICE is hereby given that the following Special Resolutions are circulated herewith for approval by the members of the Company to be accorded by Postal Ballot in accordance with the provisions of Section 192-A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and relevant provisions of the Companies Act, 2013, if applicable.

1. TO CONSIDER AND IF THOUGHT FIT, TO PASS THROUGH POSTAL BALLOT THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT in suppression of the Resolution passed in the Extra Ordinary General Meeting of the members held on 23rd March, 1999, limiting the borrowing powers of the Board of Directors to Rs. 1000 Crores beyond free reserves and paid up capital of the Company pursuant to Sec.180 (1) (C) of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to borrow from time to time all such sum of monies as they may deem necessary for the purpose of business of the Company notwithstanding that monies to be borrowed together with the monies already borrowed by the Company may exceed the aggregate of the paid-up-capital of the Company and its free reserves. i.e. to say reserves not set apart for any specific purpose (apart from temporary loans as defined in the said provisions of the Act) obtained from the Company" bankers in the ordinary course of business provided that the total amount upto which monies to be borrowed by the Board of directors shall not exceed the aggregate of Rs. 1000 Crores and the paid-up-capital and free reserves of the Company.

2. TO CONSIDER AND IF THOUGHT FIT, TO PASS THROUGH POSTAL BALLOT THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 to mortgage and/or to create any charge by the Board of Directors of the Company on all or any of the immovable and/or movable properties of the Company whosoever situated, both present and future or whole or substantially the whole of the undertaking or undertakings of the Company on such terms in such form and in such manner as the Board of Directors may think fit, in favour of all or any of any Banks, Financial Institutions, State Financial Corporations/Companies, Insurance Companies, Trustees for holders of debentures/bonds and secured lenders (hereinafter referred to as "Lenders") for securing any loans (rupee loan, commercial paper and/or foreign currency loans/external commercial borrowing) and/or working capital facilities/advances already obtained or that may hereinafter be obtained from any of the lenders and/or to secure any debentures/bonds issued/that may be issued and all interest, compound/additional interest, commitment charge, trustees remuneration, costs, charges, expenses and all other monies payable to the respective lenders and/or agents and/or trustees to the debentures/bonds in terms of the respective Loan Agreements, Hypothecation Agreements, Letters of Sanction entered with or to be entered with the lenders".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with any of the lenders, jointly or severally, the documents for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board of Directors to be in the best of interest of the Company".

By Order of the Board

K N Kapasi
Company Secretary

Date: 29th October, 2013
Place: Mumbai

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 (2) (b) OF THE COMPANIES ACT, 2013

Item No.1 & 2

Present Power of Board of directors to borrow money upto Rs.300 Crores and mortgage immovable and moveable properties of the Company are derived from ordinary resolutions passed by the shareholders of the Company at their Extra Ordinary General meeting held on 23rd March 1999.

The Central government has re codified companies act by enacting the Companies Act 2013. Some of the provisions have come into force with effect from 12th September 2013.

Provisions of Section 180 (1) (c) of the Companies Act 2013 requires a special resolution to be passed by shareholders for enabling the Board to borrow money in excess of paid up capital and free reserves of the Company.

Provisions of section 180 (1) (a) requires a special resolution to be passed by shareholders to enable the Board of directors to mortgage immovable and moveable properties of the Company to secure further borrowings.

The Companies (passing of the resolution by postal ballot) Rules 2011 requires passing of resolution to mortgage immovable and movable properties of the company under section 293 (1) (a) of the Companies act 1956 by postal ballot.

It is therefore necessary for the Company to take your approval by passing special resolution through postal ballot for enabling the Board to mortgage immovable and moveable properties of the Company present and future to secure further borrowings. It is convenient to take simultaneous approval of shareholders through postal ballot for further borrowings. Present limit of Rs. 300 crore was approved in a year 1999 and thereafter expansions had taken place and there is a need to increase limits of borrowing in view of further expansions / capex that may be take place in future.

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

NOTES:

- 1) The Company has appointed Mr. AL Makhija, Proprietor, M/s. AL Makhija & Co., Company Secretaries as the Scrutinizer for the purpose of Postal Ballot exercise.
- 2) 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 Business Reply Envelope. The envelopes containing the postal ballot should reach the Company not later than the close of working hours on December 10, 2013.
- 3) The result of the Postal Ballot shall be announced by the Chairman on December 11, 2013 at 4.00 p.m. at the Corporate Office of the Company at B/9, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and the resolutions shall be taken as passed effective from the date of announcement of the result, if the results of the Postal Ballot indicate that the requisite majority of the shareholders had assented to the resolutions. Members who wish to be present at the time of declaration of result may do so at the said venue.
- 4) Your approval is sought for above Resolution no. 2 by voting by postal ballot in terms of provisions of Section 192 A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolution by Postal Ballot) Rules 2011. As regard Resolution no. 1, the matter need not be transacted by postal ballot, however, in order to save time and for the sake of convenience, your approval is sought by postal ballot as per provisions of section 192 A of the Companies Act, 1956 and any applicable provisions of the Companies Act 2013.

By Order of the Board

Date: 29th October, 2013
Place: Mumbai

K N Kapasi
Company Secretary