



TIRUPATI SARJAN LIMITED

Registered Office: 5, M.K. Patel Market, Kansa Char Rasta, Visnagar - 384315, Gujarat.
Corporate Office: A/11, Satyamev Complex, Opposite Gujarat High Court, S.G. Highway,
Ahmedabad - 380062, Gujarat.

NOTICE OF POSTAL BALLOT

[Pursuant to Section 192A of the Companies Act, 1956]

To
The Members,

Notice pursuant to Section 192A (2) of the Companies Act, 1956.

NOTICE IS HEREBY GIVEN pursuant to Section 192A (2) of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for obtaining the consent of the members through Postal ballot by way of the **special resolution** appended below. The Company is seeking the consent of the Members for the proposal contained in the resolution. The Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons thereof are annexed hereto along with a Postal Ballot Form for your consideration.

Resolution under Section 372A of the Companies Act, 1956 for giving guarantee in connection with a loan taken by Subsidiary of the company.

To consider and, if thought fit, to pass with or without modification(s) the following Resolutions as a **Special Resolution**:

“**RESOLVED THAT** in pursuance of the Section 192A, 292, 372A and other applicable provisions of the Companies Act, 1956 and other applicable provisions, if, any, consent and approval of the Members be and is hereby accorded and the act of the Board of Directors of the Company to give guarantee to KCB Bank Uganda Ltd and Kenya Commercial Bank Limited for an amount of USD 7,00,0000 (United States Dollars Seven Million), equivalent Rs. 38,95,92,000. (3895.92 lacs), against loan procured by the subsidiary of the company, Tirupati Development (U) Ltd, be and is hereby confirmed and ratified.”

By Order of the Board of Directors

Place : Visnagar

Date : 22nd September 2012

Jitendra Ishwarlal Patel
(Chairman & Managing Director)
Tirupati Sarjan Limited

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. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The shareholders are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed 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. 05.00 P.M. on Saturday 27th October 2012. Your assent or dissent received at the address of the Scrutinizer after 27th October 2012 would be strictly treated as if a reply from you has not been received, which is in accordance with the Postal ballot Rules aforesaid.
4. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is not being provided by the Company.

5. The Board of Directors has appointed Miss Siddhi Rajani, Chartered Accountant, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
6. Upon completion of the scrutiny of the Postal Ballot Forms, the Scrutinizer will submit the report to the Chairman / Director. The result of the Postal Ballot will be announced by the Chairman / Director of the Company on Tuesday 30th October 2012 at 11.00 A.M at the Registered Office of the Company at 5, M.K. Patel Market, Kansa Char Rasta, Visnagar, Gujarat – 384315 and will also be informed to the stock exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The company has a subsidiary Tirupati Development (U) Ltd in Uganda, wherein the Company holds 69% of the total shares (voting power). The said subsidiary company was in urgent requirement of funds for expansion and therefore had approached KCB Bank Uganda Ltd and Kenya Commercial Bank Limited for loans. The terms of loan required a guarantor and therefore the subsidiary company approached Tirupati Sarjan Limited for providing guarantee to the Banks. The board of Directors decided to provide the Guarantee to the Banks against the loan taken by the subsidiary of the company and accordingly, at the Meeting of Board of Directors held on 14th July 2012 at the registered office of the company a resolution was passed for providing the said guarantee to the Banks in terms of 2nd Proviso to sub-section (1) of Section 372A of the Companies Act 1956.

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of—

- i) Sixty percent of the aggregate of the paid up share capital and free reserves, or
- ii) One hundred percent of its free reserves, whichever is more, If a Special Resolution is passed by the shareholders of the lending Company.

The guarantee given by the board exceeded the ceiling limit specified in section 372A (1). However, as per 2nd Proviso to sub-section (1) of Section 372A of the Companies Act 1956, the Board may give Guarantee, without being previously authorized by special resolution if,—

- (a) A resolution is passed in the meeting of the Board authorizing to give guarantee in accordance with the provisions of this section;
- (b) There exists exceptional circumstances which prevent the company from obtaining previous authorization by a special resolution passed in a general meeting for giving a guarantee; and
- (c) The resolution of the Board under clause (a) is confirmed within twelve months, in a general meeting of the company or the annual general meeting held immediately after passing of the Board's resolution, whichever is earlier.

There existed exceptional circumstances wherein the need to procure the loan was urgent and therefore the Board had decided to give the Guarantee without being previously authorized by a special resolution. Since the amount mentioned in the resolution was in excess of prescribed ceiling limits, approval of the members by means of Special resolution through Postal Ballot is sought pursuant to the provisions of Section 372A read with 2nd Proviso to sub-section (1) of Section 372A, section 192A and 292 of the Companies Act, 1956 to ratify the act of the Board of Directors of giving Guarantee to the Banks against the loan taken by the subsidiary of the company.

The Directors are satisfied that it would be in the interest of the Company and its shareholders and accordingly recommend the Resolutions for your approval by exercising your votes through a Postal Ballot.

By Order of the Board of Directors

Place : Visnagar
Date : 22nd September 2012

Jitendra Ishwarlal Patel
(Chairman & Managing Director)
Tirupati Sarjan Limited