

moserbaer

MOSER BAER INDIA LTD.

REGD. OFFICE : 43-B, OKHLA INDUSTRIAL ESTATE, NEW DELHI - 110 020.

Tel. : 011-40594444 Fax : 011-41635211, 26911860

Website : www.moserbaer.in E-mail : shares@moserbaer.net

POSTAL BALLOT NOTICE

Notice is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 to issue equity shares or equity linked instruments to qualified institutional buyers or to issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in one or more foreign markets such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), and / or Equity Shares through Depository Receipt Mechanism and / or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares, for a total amount not exceeding USD 165 million.

The Company is desirous of seeking your consent for such proposal as contained in the resolution appended below. An Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons therefor is annexed. The said Special Resolution and the Explanatory Statement are being sent to you along with the postal ballot form for your consideration.

The Company has appointed Mr D.P Gupta, a Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the form and return the same duly completed, in the attached self-addressed, postage pre-paid envelope so as to reach the Company not later than the close of working hours, i.e. 1800 hours on Wednesday, 10th March, 2010. Upon completion of the scrutiny of the forms, the Scrutinizer shall submit his report to the Chairman of the Company on Friday, 12th March, 2010 by 1800 hours and the result shall be declared on the Company's website and its notice board on Friday, 12th March, 2010 by 1800 hours. The result of the postal ballot will be announced by the Chairman of the Company in the next Annual General Meeting of the Company.

The members are requested to consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), the provisions of the Foreign Exchange Management Act, 1999 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (1993 Scheme), and subject to the approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, the RBI and the Securities and Exchange Board of India (SEBI) and / or any other competent authorities and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any Committee thereof) consent of the shareholders of the Company be and is hereby accorded to revise the conversion price of the Company's existing Foreign Currency Convertible Bonds (FCCBs) and also to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets, for a value of upto USD 165 Million such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), including for exchange with existing FCCBs, and / or Equity Shares through Depository Receipt Mechanism and / or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals

or otherwise), Foreign Institutional Investors, Promoters, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, Employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the 'Investors') including allotment in exercise of a green shoe option, if any, by the Company, through private placement(s) or public offers, at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), approval of the shareholders and the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('ICDR Regulations') and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Board may at their absolute discretion, issue, offer and allot Equity Shares or Warrants convertible into Equity Shares simultaneously with non convertible debentures upto the amount of USD 165 Million inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the ICDR Regulations.

RESOLVED FURTHER that if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the ICDR Regulations (hereinafter referred to as 'Eligible Securities' within the meaning of the ICDR Regulations), the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board, issued for such purpose, shall be fully paid-up and the allotment of such Eligible Securities or any combination thereof, shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Eligible Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the ICDR Regulations.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the securities shall be determined by the Board and at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines

RESOLVED FURTHER THAT in the event that Warrants which are convertible into Equity Shares of the Company are issued simultaneously with non convertible debentures to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the meeting in which the Board decides to open the issue of such Warrants simultaneously with non convertible debentures subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines OR the date on which the holder of such Warrants, which are convertible into or exchangeable with the Equity Shares, becomes entitled to apply for the Equity Shares against such Warrants.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued through international offerings, the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board decides to open the issue of such Securities subsequent to the receipt of shareholders' approval in terms of Section 81(1A) or as may be determined in accordance with the Companies Act, other applicable laws, regulations and guidelines and in accordance with the 1993 Scheme and other applicable pricing provisions issued by the Ministry of Finance and/or RBI.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities and the Eligible Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities and the Eligible Securities during the duration of the Securities and the Eligible Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities and the Eligible Securities that are not subscribed.

RESOLVED FURTHER THAT:

- (i) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (ii) the underlying Equity Shares shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue of Equity Shares underlying the Securities to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities or the Eligible Securities at the same price at which the same are offered to the existing shareholders; and
- (c) in the event of any merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities or the Eligible Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more national and international Stock Exchange(s).

RESOLVED FURTHER THAT subject to applicable law or regulatory approvals that may be required, 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 of any Securities including additional equity shares to be issued on revision of conversion price of the outstanding Foreign Currency Convertible Bonds (FCCBs) of the company, or the Eligible Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the Issue(s), including the class of investors to whom the Securities or the Eligible Securities are to be allotted, number of Securities or the Eligible Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer documents(s), execution of various transaction documents, creation of mortgage / charge in accordance with Section 293(1)(a) of the Companies Act, 1956, in respect of any Securities or the Eligible Securities as may be required either on pari-passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities or Eligible Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Regd. Office:-

43-B, Okhla Indl. Estate, Phase-III,
New Delhi-110020

By Order of the Board of Directors
for Moser Baer India Ltd

Sd/-

Company Secretary

Date: 29th January, 2010

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 forms part of this notice and is attached hereto.
2. All the documents relevant to the resolutions specified in the notice are open for inspection by the members of the Company at the Registered Office of the Company between 11.00 A.M. to 01.00 P.M on any working day upto Wednesday, 10th March, 2010.
3. Only a member is entitled to vote is entitled to fill in the postal ballot form (enclosed herewith) and send it to the scrutinizer in the pre-paid postage envelope enclosed herewith.
4. In cases where the postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the postal ballot form.

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

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot equity shares and warrants simultaneously with non-convertible debentures (the “**Eligible Securities**”) to qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The resolution also includes a proposal to issue Foreign Currency Convertible Bonds which are convertible into equity shares, American Depository Receipts and Global Depository Receipts reflected by underlying equity shares of the Company or other securities convertible into equity shares of the Company (the “**Securities**”) in compliance with applicable law.

In relation to the above, the Company intends to issue the Eligible Securities or the Securities for a value of upto USD 165 million.

Objects of the issue:

The object of this issue is to meet the long term business requirements of the Company, to meet the working capital requirements of the Company, to fund the growth of the Company and to improve the financial leveraging strength of the Company. Also, in view of the current global market conditions and economic outlook, the Company may consider, subject to the receipt of necessary approvals, various options to strengthen the balance sheet of the Company, including revising the conversion price of the existing Foreign Currency Convertible Bonds (FCCBs) and/or by issuing new Foreign Currency Convertible Bonds for restructuring its existing foreign currency convertible bonds, subject to applicable law or regulatory approvals as may be required .

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

Pricing:

The pricing of the Securities shall be freely determined subject to such price not being less than the applicable pricing provisions issued by the Ministry of Finance and the Reserve Bank of India. If the Board of Directors decides to undertake a qualified institutional placement under Chapter VIII of the ICDR Regulations, the pricing of the Eligible Securities shall be freely determined subject to such prices not being less than the price as calculated in accordance with the ICDR Regulations.

As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The equity shares issued pursuant to the offering(s) would be listed on the Indian stock exchanges and / or internationally recognized stock exchange and may be represented by securities or other financial instruments outside India.

The Special Resolution seeks to give the Board powers to issue the Eligible Securities or Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit. The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 of the Companies Act, 1956 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Eligible Securities or Securities to the investors who may or may not be the existing shareholders of the Company. The Board believes that the issue of Eligible Securities or Securities to investors who are not shareholders of the Company is in the interest of the Company and, therefore, recommends the resolution for your approval. None of the Directors of the Company is in any way concerned or interested in the said resolution.

The Board recommends this resolution for approval of the members.

Regd. Office:-

43-B, Okhla Indl. Estate, Phase-III,
New Delhi-110020

By Order of the Board of Directors
for Moser Baer India Ltd

Date: 29th January, 2010

Sd/-
Company Secretary



MOSER BAER INDIA LTD.

REGD. OFFICE : 43-B, OKHLA INDUSTRIAL ESTATE, PHASE-III, NEW DELHI - 110 020.

POSTAL BALLOT FORM

(For E-mail purpose)

Sr. No.

Name of the Shareholders(s) including joint holders, if any (in Block Letters)	
Registered Address of the sole/ first named shareholder	
DP ID No./Client Id No./ Registered Folio No.* (Applicable to investors holding shares in physical form)	
No. of shares held	

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 Notice of postal ballot issued by the company by sending my/ our assent or dissent to the said resolution by placing a tick (✓) mark at the appropriate box below:

Description	No. of shares	<input checked="" type="checkbox"/>
Special Resolution under section 81(1A) of the Companies Act, 1956 to revise the conversion price for the Company's existing FCCBs and also to offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in one or more foreign markets, or by way of a qualified institutional placement under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) for a value of up to USD 165 Million, representing such number of GDRs, ADRs, FCCBs (including for exchange with existing FCCBs) and / or Equity Shares through Depository Receipt Mechanism and / or Equity Shares and / or warrant convertible into Equity Shares simultaneously with non-convertible debenture and/or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares.		I/We assent to the resolution

Place:

Date:

Signature of the Shareholder

Note: Please read carefully the notes/ instructions printed overleaf before exercising the vote.

NOTES/INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the company in the attached self addressed envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted. A shareholder need not use all his votes nor he needs to cast all his votes in the same way.
2. The self -addressed envelope bears the address of the scrutinizer appointed by the Board of Directors.
3. Please convey your assent or dissent in this postal ballot form by placing the tick mark(✓) at the appropriate box . The assent or dissent received in any other form or on a photocopy of the Postal Ballot Form shall be considered invalid.
4. This form should be completed and signed by the shareholder. In case of joint shareholding, this form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder. There will be one postal ballot form for every Folio/Client ID, irrespective of the number of jointholders.
5. Unsigned postal ballot forms will be rejected.
6. Duly completed postal ballot form should reach the company not later than 1800 hours on Wednesday, 10th March, 2010. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
7. Voting rights shall be reckoned on the numbers of shares registered in the name of the shareholders as on Friday, 22nd January, 2010. The postal ballot shall not be exercised by a proxy.
8. The Board of Directors has appointed Mr. Deepak Puri, Managing Director and Ms. Minni Katariya, Company Secretary as the persons responsible for supervising the entire postal ballot voting process.
9. The Chairman and Managing Director and in his absence, any person authorized by the Chairman and Managing Director shall announce the result of the postal ballot at the Registered Office of the Company at 43-B, Okhla Industrial Estate, New Delhi – 110 020 on Friday, 12th March, 2010 by 1800 hours. The date of declaration of the results of postal ballot result will be taken to be the date of passing of the Special Resolution.
10. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item number 6 above.