

KLG CAPITAL SERVICES LIMITED

CIN L67120MH1994PLC218169

Registered Office: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023

Tel. No. 91-22-66199000 Fax No.: 91-22-22696024

Email: company.secretary@klgcapital.com Website: www.klgcapital.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant with the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) for consent of Members to be obtained by means of Postal Ballot/ e-voting for item listed hereinunder.

The draft Special Resolution is appended below and an explanatory statement pursuant to Section 102 of the Companies Act, 2013, pertaining to the said resolution setting out material facts and reasons for the resolution is annexed along with a Postal Ballot form for your consideration.

In compliance with the provisions of Section 108 and Section 110 of the Act read with the Rules thereto and Clause 35B of the Listing Agreement, the Company is pleased to provide Electronic Voting (“E-voting”) facility to all the Members of the Company to enable them to cast their votes electronically on the resolution mentioned in this Notice. The Company has availed the e-voting services of Central Depository Services (India) Limited (“CDSL”).

The Board of Directors of the Company has appointed Mr. Aashish K. Bhatt, Proprietor of M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries (C.P. No. 7023), as Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot form and return the form duly completed in the attached self addressed, postage prepaid envelope, so as to reach the Scrutinizer on or before the close of working hours on Tuesday, March 31, 2015 at 1800 hours. The ballot form received after the said date will be treated as not to have been received.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot shall be declared on Friday, April 03, 2015 at 1800 hours at the Company’s Registered Office at Mumbai.

The date of declaration of the result shall be deemed to be the date of passing of the said resolution.

ITEM NO. 1

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“Resolved That in supersession of earlier resolution passed at the Annual General Meeting of the Company held on August 29, 2008 and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors to mortgage, charge, hypothecate, pledge any or all of the Company’s assets and properties, whether movable or immovable, present or future, and whole or substantially the whole of any of undertaking(s) of the Company, in such form and in such manner and on such terms and conditions as the Board may consider and think fit and proper, in the interest of the Company, in favor of the Bank(s)/ Financial Institution(s)/Bodies Corporate and/or Companies, to secure the loan/financial facilities (“Borrowings”) excluding the interest thereon, for an amount not exceeding Rs. 400 Crore (Rupees Four Hundred Crore only) as may become due or payable by the Company in that behalf to the Bank(s)/Financial Institution(s)/Bodies Corporate and/or Companies, to secure the borrowings already obtained or to be obtained by the Company, from time to time.

Resolved Further That the charge and / or mortgage to be created by the Company as aforesaid may have such ranking for priority or otherwise as the Board of Directors of the Company may decide and as may be agreed to by the concerned Bank(s) and / or Financial Institution(s) / Lenders.

Resolved Further That the Board of Directors of the Company be and is hereby authorized to finalise and execute agreements, documents, papers and to do all such acts, deeds, things and matters as may be necessary to give effect to the above resolution and to settle, resolve any matter or difficulty or doubt in relation thereto or otherwise considered necessary or appropriate by the Board.”

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CIN: L67120MH1994PLC218169

E-mail: company.secretary@klgcapital.com

Website: www.klgcapital.com

Place: Mumbai

Date: February 13, 2015

By Order of the Board of Directors

Nishita M. Nagrecha
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (hereinafter referred to as the “Act”), setting out material facts are annexed hereto.
2. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on Friday, February 13, 2015.

Instructions for E-voting:

- (i) The voting period begins on Monday, March 02, 2015 at 900 hours and ends on Tuesday, March 31, 2015 at 1800 hours. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, February 13, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (“EVSN” i.e. “150218013”) for KLG Capital Services Limited.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Members & Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com.
3. Notice of Postal Ballot along with the Postal Ballot Form containing the process, instructions and the manner of conducting e-voting is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant(s). For Members who request for a hard copy and for those Members who have not registered their e-mail addresses, physical copies of the same are being sent by the permitted mode.
 4. Kindly note that the Members can opt for only one mode of voting, i.e., either by physical Postal Ballot or e-voting. If Members has opted for e-voting, then do not vote through physical Postal Ballot and vice versa. In case Members cast their vote by both physical Postal Ballot and e-voting means, then voting done through valid physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.
 5. Members exercising their vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed pre-printed self addressed post prepaid business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working i.e. 1800 hours on Tuesday, March 31, 2015. The Scrutinizer’s decision on the validity or otherwise of the Postal Ballot / e-voting will be final. Please note that any Postal Ballot forms received after 1800 hours on Tuesday, March 31, 2015 will not be treated as valid and voting whether by post or by electronic means shall not be allowed beyond the said date.
 6. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the website of the Company www.klgcapital.com or seek duplicate Postal Ballot Form from Unit: KLG Capital Services Limited, M/s. Link Intime India Private Limited, Registrar and Share Transfer Agents of the Company, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New-Delhi-110 028; fill-in the details and send the same to the Scrutinizer.
 7. In case, shares are jointly held, the Postal Ballot Form should be completed and signed (as per the specimen signature registered with the company) by the first named Member and in his/her absence, by the next named Member.
 8. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority letter together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.
 9. The vote in this Postal Ballot cannot be exercised through proxy.
 10. The Scrutinizer will submit his report to the Chairman or to any other person duly authorised in this regard and the results of the Postal Ballot will be announced on Friday, April 3, 2015 at 1800 hours at the Registered Office of the Company at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website i.e. www.klgcapital.com and on the website of CDSL within two (2) days of passing of the resolutions and shall also be communicated to the Stock Exchanges, where the shares of the Companies are listed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND
RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014:**

ITEM NO. 1:

The Members of the Company at the Annual General Meeting held on August 29, 2008, by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, had authorised the Board to create mortgage/charge/hypothecation on all or any of the moveable, immoveable properties and/or undertaking(s) of the Company upto an aggregate amount of Rs. 400 Crore (Rupees Four Hundred Crore Only).

Section 180(1)(a) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors of the Company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, except with the consent of the Company accorded by way of Special Resolution.

As per Section 180(1)(a) of the Companies Act, 2013 a Company needs to obtain consent of the shareholders by Special Resolution to create mortgage/charge/hypothecation/Pledge on the moveable and/or immovable properties/assets of the Company. Borrowings and other such credit facilities availed or to be availed by the Company is required to be secured by mortgaging and / or charging the immovable and movable properties of the Company and/ or the whole or substantially the whole of the undertaking(s) of the Company, present and future, as may be necessary.

In compliance of the provisions of Section 180(1)(a) of the Companies Act, 2013 which is in force now, your directors propose a Special resolution at Item No. 1 of the Notice seeking consent from its members to authorize the Board of Directors to mortgage/charge/hypothecation/pledge on all or any part of its movable and/or immovable properties or on the whole or substantially the whole of the undertaking(s) of the Company up to Rs. 400 Crore (Rupees Four Hundred Crore Only) excluding the interest thereon.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said resolution. Your Directors recommend the resolution for your approval.

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By Order of the Board of Directors

Nishita M. Nagrecha
Company Secretary

Place: Mumbai

Date: February 13, 2015

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POSTAL BALLOT FORM

(Please read the instructions printed overleaf before completing this form)

S. No.

- (1) Name & Address of the Sole/
First named Member/Beneficial
Owner as registered with the
Company
- (2) Name(s) of the joint Member(s),
if any, registered with the
Company
- (3) Registered Folio No./DP ID No.
& Client ID No.* (* Applicable to
investors holding shares in
dematerialized form)
- (4) Number of shares held
- (5) I/We, hereby exercise my/our vote in respect of the following resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by sending my/our assent (For) or dissent (Against) to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares	I / We assent to the Resolution (For)	I / We dissent to the Resolution (Against)
1.	Special Resolution under Section 180 (1) (a) of the Companies Act, 2013, for creating mortgage /charge / hypothecation / pledge on the moveable / immoveable properties and / or undertaking(s) of the Company.			

Place:

Date:

(Signature of the Member/ Beneficial Owner)

Notes :

1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
2. Last date for receipt of Postal Ballot Forms by the Scrutinizer is Tuesday, March 31, 2015.

INSTRUCTIONS

General Instructions

1. There will be one Postal Ballot Form/e-voting for every Folio / Client ID irrespective of the number of joint holders.
2. Members can opt for only one mode of voting, i.e., either by physical Postal Ballot or e-voting. If a Member has opted for e-voting, then do not vote through physical Postal Ballot and vice versa. In case Members cast their vote by both physical Postal Ballot and e-voting means, then voting done through valid physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.
3. The Notice of Postal Ballot is dispatched/e-mailed to the Members whose names appear on the Register of Members as on Friday, February 13, 2015 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on the said date.
4. Voting in the Postal Ballot/e-voting cannot be exercised by a proxy. However, Corporate and Institutional Members shall be entitled to vote through their Authorised Representatives with proof of their authorization.
5. The Scrutinizer will submit his report to the Chairman or to any other person duly authorised in this regard and the results of the Postal Ballot will be announced on Friday, April 3, 2015, 1800 hours at the Registered Office of the Company at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.klgcapital.com and on the website of CDSL within two (2) days of passing of the resolutions and shall also be communicated to the Stock Exchanges, where the shares of the Companies are listed.

Instructions for voting by physical Postal Ballot Form

1. A Member desiring to exercise vote by physical Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer, Mr. Aashish K. Bhatt, Practicing Company Secretary, in the enclosed pre-printed self-addressed postage-prepaid envelope. Envelope containing Postal Ballot Forms, if deposited with the Company in person or if sent by courier/ registered post at the expense of the Registered Member, shall also be accepted by the Company.
2. A (✓) mark should be placed in the relevant box signifying assent (For) /dissent (Against) for the resolution, as the case may be. Incomplete or unsigned Postal Ballot Forms will be rejected. Tick in both the boxes would render your Ballot Form invalid. Please note that (X) mark or any other mark other than (✓) in the box signifying assent (For) or dissent (Against) shall be deemed as if no mark has been placed and the box is left blank.
3. This Form should be completed and signed by the Member (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his absence, by the next named Member.
4. In respect of shares held by Corporate and Institutional Members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested.
5. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. Members to whom documents have been sent physically have the option to vote either through e-voting or through Postal Ballot Form. In case Members who have received Notice of Postal Ballot through e-mail but who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the website of the Company www.klgcapital.com or seek duplicate Postal Ballot Form from Unit: KLG Capital Services Limited, M/s. Link Intime India Private Limited, Registrar and Share Transfer Agents of the Company, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New-Delhi-110 028; fill-in the details and send the same to the Scrutinizer; fill-in the details and send the same to the Scrutinizer.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than closing of working hours i.e 1800 hours on Tuesday, March 31, 2015. Please note that any response received from the Members after this date will be strictly treated as if the reply from such Member has not been received and voting whether by post or by electronic means shall not be allowed beyond the said date. Accordingly Members are requested to send duly completed Postal Ballot Forms well before the above said date providing sufficient time for postal transit.
8. A Member may request for a duplicate Postal Ballot Form or seek duplicate form from M/s. Link Intime India Private Limited, Registrar and Share Transfer Agents of the Company, if required, and the same duly completed, should reach the Scrutinizer not later than the date specified under instruction No. 7 above.
9. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot form except giving their assent or dissent and putting their signature. If any other paper is sent, the same will be destroyed by the Scrutinizer.
10. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot/ E-voting will be final and binding.

Instructions for e-voting

1. The detailed instructions for e-voting are provided under notes to the Notice of Postal Ballot.