

IMPEX FERRO TECH LIMITED

Registered Office : 35, Chittaranjan Avenue, 4th Floor, Kolkata - 700 012
Corporate Office : SKP House, 132A, S. P. Mukherjee Road, Kolkata - 700 026

POSTAL BALLOT NOTICE

[Pursuant to Section 192A (2) of the Companies Act, 1956]

NOTICE IS HEREBY GIVEN pursuant to Section 192A of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 that the resolutions appended below are proposed to be passed as Ordinary/Special Resolutions as the case may be by way of Postal Ballot.

The Company is desirous of seeking your consent to the proposal contained in the under-mentioned resolutions. The Explanatory Statement pertaining to the said resolutions setting out all the material facts and reasons thereof are also annexed along with a Postal Ballot Form (hereinafter called as the "Form") for your consideration.

The Board of Directors has appointed CS Abhijeet Jain, Practicing Company Secretary, as 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 (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6:00 p.m. on the 4th day of February, 2012. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman latest by 9th day of February, 2012. The result of the Postal Ballot will be announced by Mr. Suresh Kumar Patni, Chairman, and in his absence, Mr. Rohit Patni, Director of the Company on 9th day of February, 2012 at 3.30 P.M. at the Corporate Office of the Company and it will be posted on the website of the Company at www.impexferrotech.com besides communicating to the Stock Exchanges concerned where the Company's shares are listed.

In the event the proposed resolutions are approved by requisite majority of shareholders by means of Postal Ballot, the date of declaration of results shall be deemed to be the date of passing of the said resolutions.

Item No. 1 Increase in Authorised Share Capital and consequent amendment to Memorandum of Association of the Company

To consider and, if thought fit, to give assent or dissent to the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Sections 16 & 94 of the Companies Act, 1956, and other applicable provisions if any, the Authorised Share Capital of the Company be and is hereby increased from ₹ 580,000,000/- (Rupees Fifty Eight Crores Only) divided into 58,000,000 Equity Shares of ₹ 10 each to ₹ 680,000,000/- (Rupees Sixty Eight Crores Only) divided into 68,000,000 Equity Shares of ₹ 10 each by creation of 10,000,000 Equity Shares of ₹ 10 each ranking pari-passu in all respect with the existing Equity Shares.

RESOLVED FURTHER THAT consequent upon increase in share capital as aforesaid, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following :

V. The Authorised Share Capital of the Company is ₹ 680,000,000/- (Rupees Sixty Eight Crores Only) divided into 68,000,000 (Six Crores Eighty Lacs) Equity Shares of ₹ 10 each with power to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Companies Act, 1956 and to vary, modify or abrogate such rights, privileges and conditions in such manner as may for the time being be provided by the regulations of the Company.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorised to make necessary amendments in the Memorandum of Association of the Company and do all such acts, deeds and things as may be necessary to give effect to the above resolution."

Item No. 2 Issue of Equity Shares on Preferential Basis

To consider and, if thought fit, to give assent or dissent to the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("Stock Exchanges") where the Equity Shares of the Company are listed and the Regulations for preferential issue issued by the Securities and Exchange Board of India ("**SEBI**") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchange, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (which terms shall include any Committee or Managing Director or Officer authorized by the Board) be and is hereby authorized to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorized committee thereof) to create, offer, issue and allot on preferential basis, at its sole and absolute discretion, 17,500,000 (One Crore Seventy Five Lacs) Equity Shares of ₹ 10/- each at a price of ₹ 20/- or the price as determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, whichever is higher, and on such terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion to the following entities :-

Name of Allottee (Promoter Group)	No. of Equity Shares
Suanvi Trading & Investment Co. Pvt. Ltd.	2,700,000
Invesco Finance Pvt. Ltd.	4,025,000
Poddar Mech Tech Services Pvt. Ltd.	5,000,000
Vasupujya Enterprises Pvt. Ltd.	2,275,000
Total Promoter Contribution (A)	14,000,000
Name of Allottee (Non-Promoter)	No. of Equity Shares
Aparajita Vanijya Pvt. Ltd.	2,000,000
Cube Fintex Pvt. Ltd.	1,500,000
Total Non Promoter Contribution (B)	3,500,000
Total (A + B)	17,500,000

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be 10th January, 2012, being the date which is 30 days prior to the declaration of results of Postal Ballot i.e. 9th February, 2012, which is deemed to be the date of the General Meeting passing the resolution in accordance with Section 192A of the Companies Act, 1956, read with relevant rules thereunder.

RESOLVED FURTHER THAT the Equity Shares shall be allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the entire pre-issue shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of preferential allotment or such other period as may be applicable under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above shall be subject to the lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above, shall be listed and traded on all the Stock Exchanges on which the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized 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 without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares so issued with any Indian stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, 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 authorities of this resolution."

By Order of the Board
For **IMPEX FERRO TECH LIMITED**

PRADIP KUMAR AGARWAL
Company Secretary

Place : Kolkata

Dated : 26th day of December, 2011

NOTES :

1. An Explanatory Statement pursuant to Section 173(2) and 192A of the Companies Act, 1956 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in respect of the businesses specified above is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the item of business set out in the Notice above are sought to be passed by Postal Ballot and not by electronic mode.
3. The Board of Directors has appointed CS Abhijeet Jain, as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. Members are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours (6 P.M) on or before 4th February, 2012. Postal Ballot Form received after this date will be treated as if no reply from the shareholder has been received.
5. Members 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.
6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The result of the Postal Ballot will be announced by Mr. Suresh Kumar Patni, Chairman, and in his absence, Mr. Rohit Patni, Director of the Company on 9th day of February, 2012 at 3.30 P.M. at the Corporate Office of the Company and it will be posted on the Website of the Company at www.impexferrotech.com.
8. The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour are not less than three times the number of votes cast, if any, against the said Resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A OF THE COMPANIES ACT, 1956 READ WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

Item No. 1

The Authorised Share Capital of your Company is presently ₹ 580,000,000/- (Rupees Fifty Eight Crores Only) divided into 58,000,000 Equity Shares of ₹ 10/-. In order to accommodate the issue of Equity Shares as mentioned in Item No. 2, it is necessary to increase the authorised share capital of the Company in the manner mentioned in the resolution.

Any such increase in authorised share capital of the company would require the approval of the shareholders in the general meeting under Section 94 of the Companies Act, 1956. The Board, therefore, recommends the resolution as set out above for your approval by an Ordinary Resolution through postal ballot.

A copy of the Memorandum and Articles of Association of the Company together with proposed alteration shall be open for inspection of the member of the Company at the Corporate Office of the Company between 3 p.m. and 5 p.m. on any working day.

None of the directors of the company are concerned or interested in the above resolution.

Item No. 2

Material Facts Relating to the Preferential Allotment

The Board of Directors proposes to issue and allot 17,500,000 (One Crore Seventy Five Lacs) Equity Share to the Promoter and Non Promoter Group of the Company on a preferential basis. The proceeds of the issue are proposed to be utilized to repay the unsecured loan and to part finance Company's long term working capital requirements and other general corporate purposes. The proposed preferential issue is in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto from time to time ("SEBI (ICDR) Regulations").

As on date, your Company owes ₹ 48,000,000/- to the allottees in the promoter group in respect of the Unsecured Loans extended by them to the Company which shall be adjusted towards the share application money for the proposed issue of Equity Shares. The balance amount shall be brought in by the promoters in cash.

The Company has received inclination from the following promoters and other prospective entities to subscribe to these Equity Shares :

Sr. No.	Name of Allottees	No. of Equity Shares proposed to be allotted	Category
1.	Suanvi Trading & Investment Co. Pvt. Ltd.	2,700,000	Promoter Group
2.	Invesco Finance Pvt. Ltd.	4,025,000	Promoter Group
3.	Poddar Mech Tech Services Pvt. Ltd.	5,000,000	Promoter Group
4.	Vasupujya Enterprises Pvt. Ltd.	2,275,000	Promoter Group
5.	Aparajita Vanijya Pvt. Ltd.	2,000,000	Non-Promoter
6.	Cube Fintex Pvt. Ltd.	1,500,000	Non-Promoter
	Total	17,500,000	

Hereinafter the aforesaid entities shall be individually and collectively called as "proposed allottee/(s)"

Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under :

a) Objects of the Issue :

The funds raised through the proposed issue of equity share shall be used for repayment of unsecured loan, meeting Company's long term working capital requirements and other general corporate purposes as may be required from time to time.

b) Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer :

The following entities of the Promoter Group do intend to subscribe to the above mentioned preferential allotment of shares to the extent of 14,000,000 Equity shares being 20.75 % of the post issue capital of the Company :

Name of Allottee (Promoter Group)	No. of Equity Shares
Suanvi Trading & Investment Co. Pvt. Ltd.	2,700,000
Invesco Finance Pvt. Ltd.	4,025,000
Poddar Mech Tech Services Pvt. Ltd.	5,000,000
Vasupujya Enterprises Pvt. Ltd.	2,275,000
Total Promoter Contribution	14,000,000

c) Shareholding Pattern before and after the issue :

Category of Shareholder		Pre Issue		Post Issue	
		Total No. of Shares	Total Shareholding as a % of total No. of Shares	Total No. of Shares	Total Shareholding as a % of total No. of Shares
(A)	Shareholding of Promoter and Promoter Group				
	(1) Indian				
	Individuals / Hindu Undivided Family	851,800	1.70	851,800	1.26
	Bodies Corporate	29,588,046	59.21	43,588,046	64.60
	Sub Total	30,439,846	60.91	44,439,846	65.86
	(2) Foreign				
	Sub Total	-	-	-	-
	Total shareholding of Promoter and Promoter Group (A)	30,439,846	60.91	44,439,846	65.86
(B)	Public Shareholding				
	(1) Institutions				
	Financial Institutions / Banks	-	-	-	-
	Sub Total	-	-	-	-
	(2) Non-Institutions				
	Bodies Corporate	8,497,950	17.01	11,997,950	17.78
	Individuals				
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	4,814,177	9.63	4,814,177	7.14
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6,167,727	12.34	6,167,727	9.14
	Any Others (Specify)				
	Non Resident Indians	47,899	0.10	47,899	0.07
	Trusts	100	0.00	100	0.00
	Clearing Members	3,905	0.01	3,905	0.01
	Sub Total	19,531,758	39.09	23,031,758	34.14
	Total Public Shareholding (B)	19,531,758	39.09	23,031,758	34.14
	Total (A)+(B)	49,971,604	100.00	67,471,604	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
	Total (A)+(B)+(C)	49,971,604	100.00	67,471,604	100.00

d) Proposed time within which allotment shall be completed :

The Allotment of shares is proposed to be completed within a period of 15 days from 9th February, 2012 being the date of declaration of results of postal ballot for the preferential allotment of equity shares provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, then the allotment shall be completed by the Company within a period of 15 days from the date on which the Company receives all approvals from the concerned authorities.

e) Identity and details of the proposed allottees :

Sl. No.	Name	Category	Address	Pre-Issue Holding	% of Pre-Issue Holding	No. of Shares (Proposed for Allotment)	Post Issue Holding	% Post Issue Holding
1	Suanvi Trading & Investment Co. Pvt. Ltd.	Promoter Group	35, C.R.Avenue, 4th Floor, Kolkata-12	8,783,046	17.58	2,700,000	11,483,046	17.02
2	Invesco Finance Pvt. Ltd.	Promoter Group	35, C.R.Avenue, 4th Floor, Kolkata-12	6,846,250	13.70	4,025,000	10,871,250	16.11
3	Poddar Mech Tech Services Pvt. Ltd.	Promoter Group	35, C.R.Avenue, Kolkata-12	5,633,750	11.27	5,000,000	10,633,750	15.76
4	Vasupujya Enterprises Pvt. Ltd.	Promoter Group	35, C.R.Avenue, Kolkata-12	8,325,000	16.66	2,275,000	10,600,000	15.71
5	Aparajita Vanijya Pvt. Ltd.	Non-Promoter	Chunaripara Colony, Post Nawabganj, North 24 Parganas - 743144	-	-	2,000,000	2,000,000	2.96
6	Cube Fintex Pvt. Ltd.	Non- Promoter	229, A.J.C. Bose Road, Crescent Tower, 5th Floor, Suit No. 5B, Kolkata - 700 020			1,500,000	1,500,000	2.22

f) Pricing of the Issue :

The issue price of the Equity Shares to be allotted on preferential basis to the proposed allottees shall be the higher of ₹ 20/- or the price as determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Currently SEBI (ICDR) Regulations, 2009 provide that the issue of shares on preferential basis can be made at a price not less than higher of the following :

- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

The Relevant Date for the purpose of pricing of the Equity Shares shall be 10th January, 2012, being the date which is 30 days prior to the declaration of results of Postal Ballot i.e. 9th February, 2012, which is deemed to be the date of the General Meeting passing the resolution in accordance with Section 192A of the Companies Act, 1956, read with relevant Rules thereunder.

"Stock Exchange" for this purpose shall mean any of the recognized stock exchanges and on which the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date.

g) Change in Control :

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

h) Auditors' Certificate :

The price at which the Equity Shares would be issued to the proposed allottees cannot be exactly determined before issue of this notice to the shareholders as it depends on the average of the market prices prevailing in the preceding 2 weeks or 6 months as per the SEBI formula. Hence, the Auditors' Certificate required under Clause 73(2) of the SEBI (ICDR) Regulations, 2009 will be made available for inspection at the Corporate Office of the Company between 3.00 p.m. and 5.00 p.m. on any working day from Relevant date (i.e. 10th January, 2012) upto the last date for voting under Postal Ballot.

i) Lock-in of proposed issue of shares :

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of allotment in terms of Regulation 78 of SEBI (ICDR) Regulations, 2009 for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment of shares.

j) Undertaking :

In terms of SEBI (ICDR) Regulations, 2009 the Company hereby undertakes that :

- The Company shall re-compute the price of the specified securities in term of the provisions of these Regulations where it is required to do so.
- If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the Regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the Stock Exchanges on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI (ICDR) Regulation require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis.

The Board recommends the resolution for your approval of the members by special resolution through postal ballot.

Except Mr. Suresh Kumar Patni, Mr. Ankit Patni & Mr. Rohit Patni being Promoters of Suanvi Trading & Investment Co. Pvt. Ltd., Invesco Finance Pvt. Ltd., Poddar Mech Tech Services Pvt. Ltd., Vasupujya Enterprises Pvt. Ltd. none of the Directors of your Company shall be concerned or deemed to be interested in the said resolution.

By Order of the Board
For **IMPEX FERRO TECH LIMITED**

Place : Kolkata
Dated : 26th day of December, 2011

PRADIP KUMAR AGARWAL
Company Secretary