

ABG

NOTICE

To
The Members,

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

NOTICE IS HEREBY GIVEN in pursuance of Section 192A (2) of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for obtaining the consent of the members through Postal ballot for authorizing the Board of Directors of the company under Section 372A read with section 292 of the Companies Act, 1956 to pass with or without modification the **Special Resolution**.

As per the provisions of Section 372A of the Companies Act, 1956, the 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 Special Resolution is passed by the shareholders of the lending Company.

Accordingly, the Company is desirous of seeking your consent to the proposal contained in the undermentioned Resolution. The Explanatory Statement pertaining to the said Resolution setting out all the material facts and reasons thereof is also annexed.

As the consent of the Members to the above Resolution is required to be obtained by means of postal ballot, it is being sent to you with the Explanatory Statements for your consideration along with a postal ballot form.

The Company has appointed Mr. Nilesh Trivedi, Practising Company Secretary, as a Scrutinizer for conducting postal ballot process in accordance with the law and 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 and signed in the enclosed self addressed postage pre - paid envelope so as to reach the Scrutinizer on or before the close of working hours (1700 hrs) on 14th August, 2010. Your assent or dissent received at the address of the Scrutinizer after 14th August, 2010, would be strictly treated as if a reply from you has not been received, which is in accordance with the Postal ballot Rules aforesaid.

The results of the Voting/Postal Ballots will be announced at the Registered Office of the Company situated at **Near Magdalla Port, Dumas Road, Surat-395007, Gujarat**, on or before 20th August, 2010.

Resolution under Section 372A of the Companies Act, 1956 for making Investment, loan or giving guarantee or provide Security in connection with a loan.

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

“RESOLVED THAT in pursuance of the Section 192A, 292, 372A and other applicable provisions of the Companies Act, 1956, or any amendments or modifications thereof (including any ordinance or statutory modification, re-enactment thereof for the time being in force) and subject to consent and approvals of and permissions as may be necessary under any statute for time being in force, or any other approvals as may be required from lenders, consent and approvals of the Members be and are hereby accorded to the Board of Directors of the Company to invest/acquire from time to time by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments of one or more bodies corporate, which may or may not be subsidiary(ies) of the Company, to make/ give from time to time any loan or loans to any body/bodies corporate, which may or may not be subsidiary(ies) of the Company and give from time to time any guarantee(s) and/or provide any security, in connection with any loan(s) made, by any other person(s) to, or to any other person(s) by, any body/ies corporate, which may or may not be subsidiary/ies of the Company as the Board may think fit, for the amount exceeding the limits specified in section 372A of the Companies Act, 1956, as per details mentioned herein below:

Particulars	Name of the Company	Rs. In Crores	Details
INVESTMENT	Western India Shipyard Ltd.	40.00	<i>Investment in share Capital in the process of Business Expansion and operation.</i>
	Calabar Shipyard Limited	300.00	
	ABG Business Venture Pte. Ltd.	5.00	
	ABG Shipyard (Singapore) Pte. Ltd.	3.00	
	Drilling & offshore pte. Ltd.	2.00	
	Total	350.00	
LOAN	Western India Shipyard Ltd.	70.00	<i>Funding for Business Expansion.</i>
	ABG Shipyard (Singapore) Pte. Ltd.	380.00	
	Total	450.00	
GUARANTEE	PFS Shipping (Singapore) Pte. Ltd.	900.00	<i>Corporate Guarantee for raising Debt for Business Expansion and Operation.</i>
	Western India Shipyard Ltd.	75.00	
	ABG Business Venture Pte. Ltd.	700.00	
	PFS Shipping (India) Limited	75.00	
	Total	1750.00	

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SECURITY	Western India Shipyard Limited	100.00	<i>Business Expansion, Operation and Capital Expenditure (in pursuance of Scheme of Arrangement).</i>
	Total	100.00	
	Grand Total	2650.00	

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company and/or Committee of Directors constituted for this purpose be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investment or loan made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

By Order of the Board of Director

Place : Mumbai
Date : 6th July 2010

Ch. Rajashekhar Reddy
Company Secretary & General Manager (Legal)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) 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—

Sixty percent of the aggregate of the paid up share capital and free reserves or,

One hundred percent of its free reserves, whichever is more, if Special Resolution is passed by the Shareholders of the lending Company.

Since the amount mentioned at the table in the resolution is in excess of above prescribed limits, approval of the Shareholders by means of Special resolution through Postal Ballot is required. This permission is sought pursuant to the provisions of Section 372A read with Section 192A and 292 of the Companies Act, 1956 to give powers to the Board of Directors for making further investments, loans, guarantees and providing securities.

These investments, loans, guarantees and securities are made /proposed to be made out of own /surplus funds internal accruals / borrowed funds, the objective of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The Investments, loans, guarantees and securities will be made on terms and conditions most beneficial to the Company / at prevailing market rates.

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.

Shri. R.S. Nakra, Managing Director of the Company, Shri. Ashwani Kumar and Shri. Ashok Chitnis, Directors of the Company, are deemed to be interested in the resolution to the extent of being Directors of Western India Shipyard Limited. None of the other Directors of the Company are deemed to be concerned or interested in this resolution.

The consent of the Shareholders to the above Resolution is required to be obtained by means of the Postal Ballot in accordance with Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution through Postal Ballot) Rules, 2001.

The Company has appointed Mr. Nilesh Trivedi, Practicing Company Secretary, as a Scrutinizer for conducting postal ballot process in accordance with the law and in a fair and transparent manner.

The Scrutinizer will scrutinize and submit the report to the Company and the results of the postal ballot will be declared at the Registered Office of the Company on or before 20th August, 2010. The result will also be displayed on the website of the Company.

By Order of the Board of Directors

Place: Mumbai
Date: 6th July 2010

Ch. Rajashekhar Reddy
Company Secretary & General Manager (Legal)

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ABG SHIPYARD LIMITED

Registered Office : Near Magdalla Port, Dumas Road, Surat-395007, Gujarat
Corp. Office : 4th Floor, Bhupati Chambers, 13, Mathew Road, Mumbai-400 004

POSTAL BALLOT FORM

1. Name & Address of Shareholder(s)
first named Shareholder/Member :
(in block letters)

2. Names of joint holders, :
if any (in block letter)

3. Registered Folio No./ :
DPID No./ Client ID No.*
*(Applicable to investors holding
shares in demat form)

4. Number of Shares held :

5. 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 the Company by sending my/our assent or dissent to the said Resolution by placing tick (✓) mark at the appropriate box below.:

Description	No. of Shares	I/We assent to the Resolution	I/We dissent to the Resolution
Special resolution under Section 372A read with section 292 of the Companies Act, 1956 to authorize the Board of Directors of the Company to make any loans/ investments or give guarantee or provide any security beyond the prescribed ceiling of the Act in the companies i.e. Western India Shipyards Ltd. PFS Shipping (India) Ltd. PFS Shipping (Singapore) Pte. Ltd. ABG Business Venture Pte. Ltd. ABG Shipyards (Singapore) Pte. Ltd. Drilling & Offshore Pte. Ltd. Calabar Shipyards Limited			

Place :

Date:

Signature of the Shareholder

**NOTE: PLEASE READ THE INSTRUCTIONS PRINTED OVERLEAF CAREFULLY BEFORE EXERCISING YOUR VOTE.
PLEASE SEND YOUR POSTAL BALLOT FORM IN THE ENVELOPE ENCLOSED HEREWITH.**

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INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope. However, any envelope containing Postal Ballot Form, if deposited in person or if sent by courier at the expense of the Member will also be accepted.
2. Please convey your assent/dissent in this Postal Ballot Form. The assent or dissent received in any other Form shall not be considered valid.
3. This Form should be duly completed and signed by the Member. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialised form respectively) by the first named Member and in his absence, by the next named joint holder.
4. Where an authorized representative of a body corporate has signed the Postal Ballot Form, a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form.
5. A Member may sign the Form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form. Unsigned Postal Ballot Form will be rejected.
6. Members are requested to communicate their assent or dissent in writing in the Postal Ballot Form sent herewith in accordance with the instructions therein set out in the attached self addressed postage pre-paid envelop, so as to reach the Scrutinizer on or before the close of working hours (1700 hrs) on 14th August, 2010. assent or dissent received at the address of the Scrutinizer after 14th August, 2010, would be strictly treated as if a reply from member has not been received, which is in accordance with the Postal ballot Rules aforesaid.
7. A Member may request for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified above.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member as on the date of despatch of the notice.
9. Members are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope. The Scrutinizer would destroy any extraneous paper found in such envelope.
10. A Member need not use all his votes nor he needs to cast all his votes in the same way.
11. Any query in relation to the resolution proposed to be passed by the postal ballot may be addressed to Mr. R.S. Reddy, Company Secretary & General Manager – Legal, ABG Shipyard Ltd., 4th Floor, Bhupati Chambers, 13 Mathew Road, Opera House, Mumbai -400 004.
Tel. No. 022 66563000, Fax No. 022 66223050 and Email to: seclegal@abgindia.com
