

ORIENT CERAMICS AND INDUSTRIES LTD.

REGD. OFFICE: 8, INDUSTRIAL AREA, SIKANDRABAD – 203 205, UTTAR PRADESH
CORP. OFFICE: IRIS HOUSE, 16, BUSINESS CENTRE, NANGAL RAYA, NEW DELHI-110046

POSTAL BALLOT NOTICE

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

To
The Members of
Orient Ceramics And Industries Ltd

As per Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, proposal for creation of mortgage/charge and/or hypothecation from time to time on all the immovable and movable properties present & future of the Company under section 293(1)(a) of the Companies Act, 1956 has to be approved by the members of the Company by way of a Postal Ballot. Similarly the approval of members under section 293(1)(d) of the Act for increase in the borrowing powers of the Board of Directors of the Company can be obtained by way of Postal Ballot.

Accordingly, the proposed ordinary resolutions are set out below. The explanatory statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration.

You are requested to read the instructions printed in the Postal Ballot Form (appended hereto), fill up the Form, give your assent or dissent on the resolution(s) at the end of the Form and sign the same and return the Form duly completed in the attached self-addressed, postage prepaid reply envelope so as to reach the Scrutinizer before the close of working hours, on or before, Monday 06th September, 2010 at the Company's Corporate Office at Iris House, 16, Business Centre, Nangal Raya, New Delhi-110 046.

The Company has appointed Mr. S.K. Kapahi, FCS, Company Secretary in whole time practice, as Scrutinizer to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman and the result of postal ballot will be announced by the Chairman and in his absence any person authorized by him at the Registered Office of the Company at 8, Industrial Area, Sikandrabad – 203 205, Uttar Pradesh.

Members may please note that a resolution will be deemed to have been passed if the votes cast in favour are more than the votes cast against and would be deemed to have been passed at General Meeting.

1. Increase in borrowing powers

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing from time to time, as it may think fit, any sum or sums of money not exceeding Rs.300 Crores (Rupees Three Hundred Crores) with or without security and on such terms and conditions as the Board may deem fit, for the purpose of the business of the Company in any manner and from any entity (whether domestic or foreign) including by way of issue of debentures which, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and that the Board be and is hereby empowered and authorized to arrange to fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security, or otherwise as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to sign all such documents as may be necessary, proper, desirable, expedient and incidental thereto."

2. **Creation of Charge etc.**

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

"RESOLVED THAT pursuant to the provisions of section 293 (1)(a) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and other applicable provisions, if any, consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter called "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons), for creation of mortgage, hypothecation and/or charge on any/all present and future, movable and/or immovable properties of the company, wherever situated, and whole or any part of the undertaking of the company in favour of Financial Institutions, Banks, Body Corporate, Non-Resident Indians (NRIs), Mutual Fund(s), Foreign Institutional Investors (FIIs), or any other lender to secure fund based and non fund based facilities including term loan and working capital assistance together with interest, cost and other charges obtained / to be obtained by the company up to a limit not exceeding Rs. 300 Crores (Rupees Three Hundred Crores).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid."

By Order of the Board
For Orient Ceramics And Industries Ltd.

Place : New Delhi
Date : 16th July, 2010

Yogesh Mendiratta
Company Secretary

Notes

1. Explanatory Statement under section 173(2) of the Companies Act, 1956, for the proposed resolutions is annexed herewith.
2. A Postal Ballot Form and a self addressed postage pre-paid envelope are enclosed herewith to enable the Members to exercise their voting rights.
3. Only a Member entitled to vote is entitled to exercise his vote through Postal Ballot. A Member having no voting rights should treat this Notice as intimation only.

Explanatory Statement pursuant to Section 173(2) and 192A of the Companies Act, 1956:

Item No. 1 & 2

Your Company is aggressively exploring opportunities for all round growth of the Company with an option to add substantial manufacturing capacity in West and / or South India by a combination of green field project, Joint Venture with an existing company or both. In order to showcase more premium products and offer a wider choice to retail & institutional customers and realize better price for the products, your Company has plans to open more than 100 premium display & sale points across India with a combination of Company Owned Company Operated (COCO), Franchisee Showrooms (FS) and Shop in Shop (SIS). With a view to meet the capital expenditure and other funds requirements for the above purposes coupled with other business plans in future and the maintenance CAPEX needs, the Company would be required to borrow funds from time to time by way of loans and/or issue of Bonds, Debentures or other securities. As per section 293(1) (d) of the Companies Act, 1956, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Board beyond the aggregate of the paid up capital of the company and its free reserves, approval from the members of the Company is required.

The members have in the 18th Annual General Meeting of the Company held on 21st September, 1995 authorised the Board of Directors to borrow funds from time to time up to an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores only). As mentioned above with every new expansion and/or other business plan, the capital requirements of the Company are also growing up and the aforesaid limit is likely to be exhausted in the near future, and hence the proposal for obtaining the consent of the members by way of Ordinary Resolution for increasing this limit of Rs. 100 Crores to Rs.300 Crores as set out at item no. 1 is made.

Further, the said borrowings may be required to be secured by mortgage or charge or hypothecation on all or any of the movable or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of the provisions of Section 293(1) (a) of the Companies Act, 1956, the creation of mortgage or charge or hypothecation on all or any part of the movable and / or immovable properties of the Company requires the approval from the members of the Company.

The members have in the 25th Annual General Meeting of the Company held on 28th September 2002 authorised the Board of Directors for creation of mortgage / charge / hypothecation on the assets of the Company up to an extent of Rs. 100 Crores (Rupees One Hundred Crores only). In line with the increase in borrowing limits, it is proposed to increase the limit up to which the movable and / or immovable properties of the Company may be subjected to mortgage / hypothecation / charge from Rs. 100 Crores to Rs. 300 Crores as set out at item no. 2.

As per the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, the approval of members to the resolution under section 293(1) (a) of the Companies Act, 1956 as set out at item no. 2 is to be compulsorily obtained by way of sending postal ballots to the members. Accordingly, the resolution under section 293(1)(a) and the resolution under section 293(1)(d) of the Companies Act, 1956, being connected therewith, are being proposed to seek your consent by way of postal ballot as per the requirements of section 192A of the Companies Act, 1956.

The Board of Directors accordingly recommends the resolutions as set out at item no. 1 & 2 of the accompanying notice for the approval of the members of the Company. None of the Directors of the Company are deemed to be concerned or interested in the resolutions set out in the notice pursuant to Section 192A of the Companies Act, 1956.

A copy of each of the Board Resolutions dated 16th July, 2010 and the resolutions passed in the Annual General Meetings dated 21st September, 1995 and 28th September, 2002 is open for inspection by members on any working day during 11.00 A.M. to 1.00 P.M. up to the date of declaration of results of postal ballot at the registered office as well as the corporate office of the Company.

By Order of the Board
For Orient Ceramics And Industries Ltd.

Place : New Delhi
Date : 16th July, 2010

Yogesh Mendiratta
Company Secretary