



RASI ELECTRODES LTD

Registered Office: 44/4 Strotten Muthiah Street, Chennai-600079.
Administrative Office: A-14, Rams Apartment, 21, Raja Annamalai Road, Chennai-600084
CIN: L52599TN1994PLC026980; Website: www.rasielectrodes.com; E-mail: info@rasielectrodes.com.

POSTAL BALLOT NOTICE

To,

The Members,

Notice is hereby given pursuant to the provisions of Section 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Rules") and pursuant to other applicable laws and regulations, if any, that the Resolutions furnished herein below are proposed to be passed by the Members through Postal Ballot/Electronic voting ("e-voting").

SPECIAL BUSINESS:

1.SPLIT OF EQUITY SHARES

To consider and if thought fit to pass with or without modifications, the following resolution as a ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 61(1)(d), 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory Authority(ies), each Equity Share of the Company having a face value of Rs. 10 each fully paid-up be sub-divided into 5 (five) Equity Shares of face value of Rs. 2 each fully paid-up."

"RESOLVED FURTHER that on sub-division, 5 (five) Equity Shares of face value of Rs.2 each be allotted in lieu of existing 1 (one) Equity Share of Rs. 10 each, subject to the terms of the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER that on sub-division of Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of the face value of Rs. 10 each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing share certificate(s) subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Members with the depository participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division."

"RESOLVED FURTHER that the Board of Directors of the Company, which expression shall also include a Committee thereof, be and is hereby authorized to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s) or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

2.AMENDMENT TO CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED that pursuant to provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to such other approval(s) from the concerned Statutory Authority(ies), Clause V of the Memorandum of Association of the Company relating to Capital be substituted by the following Clause:

"Clause V: The Authorized share capital of the company is Rs. 8,00,00,000/- (Rupees Eight Crores only) divided into 4,00,00,000 (Four crores) Equity Shares of Rs.2/- (Rupees Two only) each."

"RESOLVED FURTHER that the Board of Directors of the Company (which expression shall also include a Committee thereof) be and is hereby authorized to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s) or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

3.AMENDMENT TO CAPITAL CLAUSE OF ARTICLES OF ASSOCIATION

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 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approval(s) from the concerned Statutory Authority(ies), Article 4(a) of the Articles of Association of the Company relating to Capital be substituted by the following Clause:

“Article 4(a): The Authorized Share Capital of the company is Rs.8,00,00,000/- (Rupees Eight Crores only) divided into 4,00,00,000 (Four crores) Equity shares of Rs.2/- each.”

“RESOLVED FURTHER that the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorized to take such steps as may be considered necessary including the delegation of all or any of its powers herein conferred to any Director(s) or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

4.AMENDMENT TO OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION TO FACILITATE BORROWINGS

To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to section 13(1) of the Companies Act, 2013, the object clause of the Memorandum of Association be altered by including the following sub-clause as sub-clause (25) of clause III.(B) of the Memorandum of Association of the Company:

“Clause III (B) (25): To borrow or raise money with or without security or to receive money on deposit at interest or otherwise, in such a manner as the Company may think fit and in security of any such moneys to be borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future.

5.BORROWING POWERS

To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT that pursuant to Section 180(1)(c) of the Companies Act, 2013, consent be and is hereby accorded to the Board of Directors of the Company, for borrowing moneys or providing guarantees for the moneys borrowed for the purposes of the Company from Banks, Financial Institutions or any other lenders, from time to time, notwithstanding that the moneys to be borrowed or guaranteed together with the moneys already borrowed or guaranteed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided however, that the aggregate of the amounts so borrowed or guaranteed and to be borrowed or guaranteed and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 100 crores. (Rupees one hundred crores only).”

6.POWER TO MORTGAGE THE PROPERTIES OF THE COMPANY

To consider and if thought fit to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to section 180(1)(a) of the Companies Act, 2013, approval be and is hereby accorded to the Board of Directors of the Company to provide and / or create security in favour of lenders by way of creation of charge, mortgage, hypothecation or pledge of the moveable or immovable properties of the Company including book debts and/or intangible properties in order to secure the borrowings made by the Company from or the guarantees given by the company to Banks, Financial Institutions or any other lenders provided however, that the security provided and / or created for aggregate of the amounts so borrowed or guaranteed and to be borrowed or guaranteed and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.100 crores. (Rupees one hundred crores only).”

The Explanatory Statement pertaining to all the Resolutions setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form.

**By Order of the Board
FOR RASI ELECTRODES LIMITED**

**CHENNAI
DATED: 26TH FEBRUARY 2015**

**B POPATLAL KOTHARI
MANAGING DIRECTOR
DIN: 00594168**

Notes:

- 1.The Board of Directors has appointed Mr. A.M.Gopikrishnan, Practicing Company Secretary, Chennai, as the Scrutinizer, for conducting the postal ballot process in a fair and transparent manner.
2. A member desiring to exercise vote by postal ballot is requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours (6.00 P.M. IST) on Thursday, the 9th April 2015.
3. The Scrutinizer will submit his report to the Chairman/Audit Committee Chairman of the Company after completion of the scrutiny and the results of the postal ballot will be announced by the Chairman/Audit Committee Chairman on Saturday, the 11th April 2015 at 4.30 P.M. IST, at the Registered Office of the Company at 44/4, Strotten Muthiah Street, Chennai-600079. The date of declaration of the postal ballot result will be taken to be the date of passing the special resolutions.
4. The results of the postal ballot will be posted on the Company's website – www.rasielectrodes.com.
5. **In compliance with provisions of Section 110 of the Act read with Companies (Management and Administration) Rules, 2014 and Listing Agreement, members may cast their votes either through Postal Ballot form or through electronic form (e-voting). Those members opting for e-voting may follow the procedure, as recommended by CDSL, the e-voting agency appointed by us, as stated elsewhere in this notice.**

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

SPECIAL BUSINESS:

Item Nos. 1, 2 and 3

The Equity Shares of the Company are listed and actively traded on the BSE Limited. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ("the Board") at its Meeting held on February 26, 2015 considered and approved the sub-division of one Equity Share of the Company having a face value of Rs. 10 each into 5 (five) Equity Shares of face value of Rs. 2 each, subject to approval of the Members and any other statutory and regulatory approvals, as applicable. The Record Date for the aforesaid sub-division of the Equity Shares will be fixed after approval of the Members is obtained.

Presently, the Authorised Share Capital of the Company is Rs. 8,00,00,000 (Rupees Eight crores) divided into 80,00,00,000 (Eighty lakhs) Equity Shares of Rs. 10 each. Pursuant to the proposed amendment, the Authorised Share Capital of the Company will be Rs. 8,00,00,000 (Rupees Eight crores) divided into 400,00,000 (Four crores) Equity Shares of Re. 2 each. The sub-division as aforesaid would require consequential amendments to the existing Clause V of the Memorandum of Association and Article 4(a) of the Articles of Association of the Company as set out in Item Nos. 2 and 3 of the Notice respectively to reflect the change in face value of each Equity Share from Rs. 10 each to Re. 2 each.

The Directors recommend passing of the Resolutions at Item Nos. 1, 2 and 3 of the Notice.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item Nos. 1, 2 and 3 of the Notice except to the extent of their respective shareholding in the Company.

ITEM 4.ALTERATION OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION TO FACILITATE BORROWING

The Company has been carrying on the business of manufacture of welding electrodes and other allied products as permitted under the main objects of the Memorandum of Association. The Company was, initially, incorporated as a private limited company on 8th March 1994 and subsequently converted to a public limited company u/s 44 of the Companies Act, 1956, on 12th November 1994.

The Company is in the process of borrowing money by way loans from Banks and Financial Institutions to meet the requirements of the business carried on in line with the main objects listed in the Memorandum of Association. In order to provide more explicit clarity to the ability of the Company to borrow money as permitted under the objects clause of the Memorandum of Association, the Bankers / Lenders have requested the Company to carry out the proposed amendment to the objects clause of the Memorandum of Association to provide them more comfort to lend money to the company.

As per the requirements of section 13(1) read along with section 110(1)(a) of the Companies Act, 2013, and as required under Rule 22(16)(a) of Companies (Management & Administration) Rules, 2014, the proposed alteration of objects clause of the Memorandum of Association of the company requires approval of the shareholders by way of passing a special resolution through postal ballot cum electronic voting process.

The Directors recommend passing of the Resolutions at Item Nos. 4 of the Notice.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item Nos. 4 of the Notice.

ITEM 5:

The members of the Company have vide their resolution passed on 18th August 1995 under 293(1)(d) of the Companies Act, 1956, accorded approval to the Board of Directors to borrow money in excess of the paid-up capital and free reserves up to a limit of Rs 10 crores. The Ministry of Corporate Affairs have clarified that the resolutions passed prior to 12.09.2013 authorizing borrowings shall be valid only until 12.9.2014. Your Company's borrowings as on date have not exceeded the aggregate of paid-up capital and free reserves. However, in order to enable the Company to borrow money for the requirements of the business, it is proposed to seek the approval of the shareholders u/s 180(1)(c) of the Companies Act, 2013, up to a limit of Rs 100 crores (Rupees one hundred crores only) outstanding at any point of time notwithstanding that the amount exceeds the paid-up capital and free reserves.

The Directors recommend passing of the Resolutions at Item Nos. 5 of the Notice.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item Nos. 5 of the Notice.

ITEM 6:

The members of the Company have vide their resolution passed on 18th August 1995 under 293(1)(a) of the Companies Act, 1956, accorded approval to the Board of Directors for providing security in favour of lenders by way of creation of charge, mortgage, hypothecation or pledge of the properties of the Company to secure the borrowings made or guarantees provided up to a limit of Rs 10 crores outstanding at any point of time. It is proposed to take the approval of the members u/s 180(1)(a) of the Companies Act, 2013, for providing security by way of creation of charge, mortgage, hypothecation or pledge of the properties of the Company to secure the borrowings made or guarantees provided up to a limit of Rs 100 crores outstanding at any point of time in synchronous with the borrowings powers permitted u/s 180(1)(c) of the Companies Act, 2013.

The Directors recommend passing of the Resolutions at Item Nos. 6 of the Notice.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item Nos. 6 of the Notice.

**By Order of the Board
FOR RASI ELECTRODES LIMITED**

**CHENNAI
DATED: 26TH FEBRUARY 2015**

**B POPATLAL KOTHARI
MANAGING DIRECTOR
DIN: 00594168**

PROCEDURE AND INSTRUCTIONS FOR EVOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday, the 11th March 2015 at 10.00 A.M. IST and ends on 9th April 2015 at 6.00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th February 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 folio number in the PAN field. ● In case the folio 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 folio number is 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 (v).

- (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 resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (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.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 have to create a compliance user should be created 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.