

*This document is in Draft form and is subject to approval of the board in the meeting scheduled to be held on 11<sup>th</sup> July 2014 @ 11:30 hrs at the registered office.*

*Changes, if any, will be intimated after the board meeting.*

### **Notice of Extraordinary General Meeting**

Notice is hereby given that the Second Extraordinary General Meeting of the members of Bank Note Paper Mill India Private Limited will be held on Friday 11<sup>th</sup> July 2014 at 12.30 hrs at the Registered Office of the Company at 1<sup>st</sup> Floor, S.R.Complex, #2 Thavarekere Main Road, S.G.Palya, DRC Post, Bangalore 560 029 to transact the following business:

### **Special Business**

To consider and if thought fit, to pass the following resolutions, with or without modifications, as a Special Resolution:

#### **1. To enhance the Borrowing Limits**

"RESOLVED THAT in supersession of the special resolution passed by the members at their 1<sup>st</sup> Extra-ordinary General Meeting held on January 17, 2014 and in accordance with section 180(1)(c) of the Companies Act 2013 together with rules and regulations made there under (including statutory modification(s) or re-enactments thereof) or any other act/law for the time being in force/likely to be in force, and the Memorandum and Articles of Association of the Company, the board of directors be and are hereby authorized to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the company, from any one or more banks/financial institutions/lender(s), notwithstanding that the monies to be borrowed together with the monies already borrowed by the company (apart from temporary loans/working capital loans obtained/to be obtained from the company's bankers in the ordinary course of business) may, at any time, exceed by a sum of Rs 400 crore (Four Hundred Crore) over and above the aggregate of the paid up capital and free reserve of the

company subject to a maximum limit of Rs. 1000 crore, and that the board of directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed together with the monies already borrowed by the company from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.”

**2. Creation of Charge on the movable and immovable properties of the company, both present and future, in respect of borrowings including working capital borrowings;**

“**RESOLVED THAT** the consent of the company be and is hereby granted in terms of section 180(1)(a) together with rules and regulations as are framed and all other applicable provisions of The Companies Act, 2013 (including statutory modification(s) or re-enactments thereof) or any other act/law for the time being in force/likely to be in force, and the Memorandum and Articles of Association of the Company, to the board of directors to hypothecate/charge/mortgage/modify charges, in such form and manner and with such ranking and at such time and on such terms as the board of directors may determine, on all or any of the movable and/or immovable properties of the company, both present and future and/or the whole or any part of the undertaking(s) of the company together with the power dispose of the charged assets and/ or any concern of the company in certain events of default, in favor of the banks/financial institutions/lender(s), for securing the borrowings (within the permissible limit) including the working capital borrowing availed/to be availed by the company”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to these resolutions, the board be and is hereby authorized 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, doubt that may arise in respect of borrowing(s)/facilities aforesaid and further to do all such acts, deeds and things and to execute all documents and writings or delegate such power to any committee of the board, any member of the board including Managing Director, and any other officer of the

company as may be necessary, proper, desirable or expedient to give effect to these resolutions.”

By order of the Board  
For Bank Note Paper Mill India Private Limited  
Sd/-

Pavithra.P  
(Company Secretary)

Date: 11/07/2014

Place: Bangalore

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME SCHEDULED FOR COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to section 102(1) of the Companies Act 2013 with respect to the aforementioned special business is attached to this notice.
3. Consent of members is obtained for convening this meeting at shorter notice.

**Decision of Members**

I vote in favor of / against the resolution\*

Remarks, if any:

Signature of the Member's representative  _____	Signature of the Member's representative  _____
Security Printing & Minting Corporation of India limited, represented by  _____	Bharatiya Reserve Bank Note Mudran Private Limited, represented by  _____

Bangalore

July 11, 2014

\*Please strike off whichever is not intended for.

**Explanatory Statement pursuant to section 102(1) of the Companies Act 2013**

**1. To enhance the Borrowing Limits**

The project cost of setting up of bank note paper mill is now revised to Rs.1490 crore. The project cost is funded by debt-equity mix. The company, with the approval of shareholders, availed Rs.790 crore under multiple banking arrangement from State Bank of India and HDFC Bank Limited. The paid up equity capital of the company as present is Rs.600 crore. Further infusion of equity capital being unlikely, the company requires additional long term borrowing which will exceed the aggregate of paid up capital and free reserves of the company.

While in a dynamic scenario, the aggregate of paid up capital and free reserve as well as total borrowing may undergo a change from time to time, holding general meeting at regular interval is not only difficult but also administratively inconvenient. Keeping in view a long term perspective, it is proposed to seek shareholders' approval for a total long term borrowing exceeding the aggregate of the paid up capital and free reserves of the company by Rs.400 crore subject to a maximum limit of Rs.1000 crore at any point of time. Actual borrowing may however be authorized by the board of directors as per the requirement subject to the maximum limit approved by the shareholders.

Hence the shareholders are requested to enhance the limit of borrowing by board.

**2. Creation of Charge on the movable and immovable properties of the company, both present and future, in respect of borrowings including working capital borrowings;**

In compliance to section 180 (1)(a) of the Companies Act 2013, the shareholders have authorized the board of directors to hypothecate/charge the movable and immovable assets of the company for securing the long term borrowing upto Rs.790 crore.

Now, the company is required to avail further long term borrowing of Rs.100 crore and also Rs.100 crore towards working capital loan. The borrowing of a company is

required to be secured by mortgage/charge on all or any of the movable or immovable properties of the company. The mortgage/charge on any of the movable or immovable properties /the whole or part of any undertaking(s) of the company with a power to the charge holder to take over the management of the business and/or dispose of the charged assets of the company in certain events of default may be regarded as disposal of the company's undertaking within the meaning of section 180(1)(a) of the New Act 2013 corresponding to the provisions of section 293(1)(a) of the 1956 Act. The words "otherwise dispose of" may cover all other modes of disposing of property such as mortgage/hypothecation etc. in favor of financial institutions/banks.

In view of this, it is requested that members/shareholders may approve creation of charge/hypothecation of movable and immovable assets in favor of banks/financial institutions/lenders.

The above proposals are in the interest of the company and the directors recommend the resolutions in item Nos. 1 and 2 of the accompanying Notice for approval by the members.

None of the directors, key managerial personnel or the relatives of the directors or key managerial personnel are concerned or interested, financial or otherwise, in the aforementioned businesses.

By order of the Board  
For Bank Note Paper Mill India Private Limited  
Sd/-  
Pavithra.P  
(Company Secretary)

Date: 11/07/2014

Place: Bangalore

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