

NOTICE OF POSTAL BALLOT

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

Dear Shareholder(s),

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules"). Approval of Members of the Company is sought for:-

1. issuance of further securities of equity nature or having option of equity conversion or attached warrants for subscribing to equity warrants;
2. Employee Stock Option Scheme 2012 (ESOS – 2012) – for the employees and other eligible persons of the Company;
3. Employee Stock Option Scheme 2012 (ESOS – 2012) –for the employees and other eligible persons of Subsidiary Companies;
4. re-appointment of Mr. Rakesh Biyani as a Joint Managing Director; and
5. increase in limit for investments by Foreign Institutional Investors ("FIIs") in the Company.

The Company seeks the consent of Members for the aforesaid proposal through Special Resolutions specified below. An Explanatory Statement pertaining to the said resolutions are also annexed. Accordingly, the said Special resolutions and Explanatory Statement along with Postal Ballot Form are being sent to you for your consideration. The Company has appointed Mr. Virendra Bhatt, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

In terms of Clause 4 of the Postal Ballot Rules, passing of below mentioned resolution(s) by postal ballot is not mandatory. However, in order to seek wider participation of the Member(s) residing at different locations, the Company is seeking approval of the Member(s) through postal ballot instead of convening an Extra-Ordinary General Meeting.

You are requested to carefully read the instructions printed overleaf of the Postal Ballot Form and return the Postal Ballot 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 on Saturday, 2nd February, 2013**, Postal Ballot Forms received after this date will be considered invalid. The Scrutinizer will submit his report to the Managing Director on the completion of the scrutiny. The results of the Postal Ballot shall be announced by a Director of the Company on **Monday, 4th February, 2013** and displayed on the Notice Board at "Knowledge House", Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai- 400060 at 5:00 pm.

1. To consider and if thought fit, to pass with or without modification, the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), as amended, including the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations") and/or any other competent authorities, and subject to any required approval, consent, permission and sanction of the Ministry of Finance (Department of Economic Affairs), Ministry of Industry (Foreign Investment Promotion Board/Secretariat of Industrial Assistance) and SEBI, the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges on which the Company's equity shares of face value of ₹ 2/- each ("Equity Shares") and Class B shares (Series 1) of face value of ₹ 2/- each ("Class B Shares") are listed and subject to necessary approvals, permissions, consents and/or sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any duly constituted committee thereof) the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted) through one or more placements either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Class B Shares, Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) and/or any other financial instruments or securities convertible into Equity Shares or Class B Shares (including warrants in registered or bearer form) with or without voting/special rights (hereinafter collectively referred to as the "Securities"), which are convertible into or exchangeable with Equity Shares or Class B Shares on such date as may be determined by the Board but not later than 60 months from the date of allotment or any combination of securities provided that the total value of equity shares issued shall not be more than 15% of expanded paid up capital, in one or more tranches, whether rupee denominated or denominated in foreign currency, to existing shareholders on rights

basis as on a record date or any other eligible person, including foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Foreign Institutional Investors, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not, as may be decided by the Board in its discretion and permitted under applicable laws and regulations (collectively called the "Investors") through public issue(s), rights issue on such other terms and conditions as may be mentioned in the letter of offer to be issued by the Company in respect of the rights issue, private placement(s), or a combination thereof in such manner and on such terms and conditions including price, security and rate of interest as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers or underwriters or other advisors appointed for such issue, up to an amount not exceeding ₹ 1500 crores (Rupees One Thousand Five Hundred Crores) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter VIII of the SEBI ICDR Regulations and other applicable laws, rules, regulations and guidelines, the Board may at its absolute discretion, create, issue, offer and allot any or all of the Securities, in accordance with SEBI ICDR Regulations up to an amount of ₹ 1500 crores as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) whether or not such investors are existing members of the Company and such Securities shall be fully paid up pursuant to a qualified institutional placement, in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations and the allotment of such securities shall be completed within 12 (twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula specified in SEBI ICDR Regulations and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion and wherever necessary in consultation with lead managers or underwriters or other advisors for such issue in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of Securities shall be the date on which the Board of the Company decides to open the proposed issue, or the date on which the holder of securities which are convertible into or exchangeable with Equity Shares or Class B Shares at a later date becomes entitled to apply for the said Equity Shares or Class B Shares, as the case may be.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

- (a) The Securities to be so offered, issued and allotted shall be subject to the provisions of the memorandum and articles of association of the Company;
- (b) The relevant date for the purposes of determining the floor price of the Securities would be in accordance with the guidelines prescribed by SEBI, RBI, Government of India through its various departments, or any other regulator and the pricing of any Equity Shares or Class B Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable adjustments in the applicable rules/guidelines/statutory provisions; and
- (c) Equity Shares or Class B Shares proposed to be issued shall rank pari-passu in all respects including entitlement to dividend with the existing Equity Shares or Class B Shares of the Company.

RESOLVED FURTHER THAT the issue to the holders of the Securities of the underlying Securities, which are convertible into or exchangeable with Equity Shares or Class B Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the conversion of the Securities, the number of Equity Shares or Class B Shares to be allotted shall stand augmented in the same proportion in which the Equity Share or Class B Share capital increases as a consequence of such bonus issue and the premium payable on conversion, if any, shall stand reduced pro rata;
- (b) in the event of the Company making a rights offer by issue of Equity Shares / Class B Shares prior to the conversion of the Securities, the entitlement to the Equity Shares / Class B Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares / Class B Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares / Class B Shares, the price and the time period as aforesaid shall be suitably adjusted;
- (d) in the event of consolidation and/or division of outstanding shares into smaller number of shares (including by the way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approvals, consents, permissions, if any, from any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any other, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give directions and to do all such acts, deeds, matters and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation to finalisation and approval of the offer documents, the determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, execution of various transaction documents, creation of mortgage/charge in accordance with Section 293(1)(a) of the Act, in respect of any Securities as may be required either on pari-passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further 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 authority of this resolution, enter into arrangements including arrangements for the Lead Managers, Underwriters, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more stock exchange(s) (national or international) and to do all requisite filings with SEBI, the Government of India, the RBI, if required and any other concerned authority in India or outside, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to or delegate all or any of its power to Committee of Directors to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of securities and or equity shares / and or Class B shares including but not limited to:

- a. approving the offer document and filing the same with the any other authority or persons as may be required;
- b. approving the issue price, the number of Equity Shares and / or Class B Shares to be allotted, the basis of allocation and allotment of Equity Shares and / or Class B Shares on conversion of securities issue or on warrants to be issued together with securities;
- c. arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of Securities and or / Equity Shares and / or Class B Shares by the Company;
- d. opening a separate special account with a scheduled bank to receive monies in respect of the issue of the Securities, Equity Shares and / or Class B Shares of the Company;
- e. making applications for listing of the Securities and / or Equity Shares and / or Class B Shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- f. finalization of the allotment of the securities on the basis of the bids received;
- g. finalization of and arrangement for the submission of the placement document(s) and any amendments supplements thereto, with any applicable government and regulatory authorities, institutions or bodies as may be required;
- h. approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the Lead Managers / Underwriters / Advisors in accordance with all applicable laws, rules, regulations and guidelines; finalization of the basis of allotment in the event of over-subscription;
- j. acceptance and appropriation of the proceeds of the issue of the Securities;
- k. authorization of the maintenance of a register of holders of the Securities;
- l. authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- m. seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- n. seeking the listing of the Securities on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- o. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- p. deciding the pricing and terms of the Securities, and all other related matters;
- q. making all such necessary applications with the appropriate authorities and making necessary regulatory filings in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares / Class B Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such shares ranking pari-passu with the existing shares of the same class of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offer documents.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as the “Act”), the Memorandum and Articles of Association of the Company and in accordance to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter

referred to as the “**SEBI ESOS Guidelines**”), and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions to the PRIL Employee Stock Option Scheme -2012 (ESOS-2012), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, grant, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company including any Directors (whether whole time or otherwise) of the Company, 25,00,000 (Twenty Five Lakh) options convertible into 25,00,000 (Twenty Five Lakh) equity shares from time to time, on the date(s) of the grant of option(s) under the PRIL Employees Stock Option Scheme-2012 or any other stock option scheme(s) of the Company formulated hereafter (the “**Scheme(s)**”), in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority and that each option would be exercisable for one Equity Share of a face value of ₹ 2/- each fully paid-up (“**Equity Share**”) on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares to the person(s) who are in permanent employment of the Company including any Directors (whether whole time or otherwise) of the Company upon exercise of options from time to time in accordance with the Scheme(s) and such Equity Shares shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 25,00,000 (Twenty Five Lakh) options shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the Scheme(s) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of per ₹ 2/- Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the securities allotted under the Scheme(s) on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the listing agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the maximum number of stock options that can be granted under the said Scheme(s), to the person(s) who are in permanent employment of the Company, in any financial year shall not in aggregate exceed 0.5% of the Paid-up Equity Share Capital and which shall be within the overall limit of 25,00,000 (Twenty Five Lakh) options convertible into 25,00,000 (Twenty Five Lakh) Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the said Scheme(s) as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI ESOS Guidelines and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956 including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as the “**Act**”), the Memorandum and Articles of Association of the Company and in accordance to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any statutory modification(s) or re-enactment thereof for the time being in force, (hereinafter referred to as the “**SEBI ESOS Guidelines**”), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to extend the provisions of PRIL Employees Stock Option Scheme-2012 or any other stock option scheme(s) of the Company formulated hereafter (the “**Scheme(s)**”) as mentioned in Resolution No. 2 above, to benefit of such person(s) who are in permanent employment of the present and future subsidiaries of the Company (“**Subsidiaries**”), including any Director(s) of the Subsidiaries, whether whole time or otherwise, and for the said purpose, the Board be and is hereby also authorised to create, grant, offer, issue and allot options exercisable into shares or securities convertible into equity shares within the overall ceiling of 25,00,000 (Twenty Five Lakh) options convertible into 25,00,000 (Twenty Five Lakh) Equity Shares as mentioned in the said Resolution No. 2 above, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority and that each option would be exercisable for one Equity share of a face value of ₹ 2/- each fully paid-up on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares to the person(s) who are in permanent employment of the Subsidiaries of the Company upon exercise of options from time to time in accordance with the Scheme(s) and such Equity Shares shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 25,00,000 (Twenty Five Lakh) options shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the price of acquisition payable by the option grantees under the Scheme(s) shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the securities allotted under the Scheme(s) on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the listing agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the maximum number of stock options that can be granted under the said Scheme(s), to the person(s) who are in permanent employment of the Subsidiaries in any financial year shall not in aggregate exceed 0.5% of the Paid-up Equity Share Capital and which shall be within the overall limit of 25,00,000 (Twenty Five Lakh) options convertible into 25,00,000 (Twenty Five Lakh) Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the said Scheme(s) as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI ESOS Guidelines and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) read with Schedule XIII to the said Act, the approval of the Members be and is hereby given to the re-appointment of Mr. Rakesh Biyani as Joint Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2012 on a remuneration of ₹ 3,60,00,004/- per annum on terms and conditions as set out in the Agreement executed between him and the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified in Schedule XIII & the relevant provisions of the Companies Act, 1956.”

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

“RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 as amended up to date, the Companies Act, 1956, and subject to approvals, permissions and sanctions of the Foreign Investment Promotion Board (“FIPB”), Ministry of Corporate Affairs, Government of India and other concerned authorities/regulatory bodies and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company, (the “Board”, which expression shall include its duly authorised Committee thereof for the time being exercising the powers conferred by the Board) consent of the Company be and is hereby accorded to increase the limit of investments by Foreign Institutional Investors (“FIIs”) including their sub accounts in the equity shares of the Company, under the Portfolio Investment Scheme under FEMA, to 49% of the paid-up Equity Share Capital of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things including to authorise one or more representatives to carry out any of the activities that the Board is authorised to do including to execute deeds, documents and writings of all nature as may be considered necessary and to make appearance before any authorities and do such other things necessary to give effect to this resolution.”

By Order of the Board of Directors
for Pantaloon Retail (India) Ltd.

Deepak Tanna
Company Secretary

Place : Mumbai
Date : 24th December, 2012

Registered office:
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400060.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 1

The Company proposes to increase its equity capital base by way of infusion of further equity capital or such other security which would be later on converted into Equity Shares and/or Class B Shares or give right to the holders of the securities to subscribe to the equity capital at a later date. The proposed infusion of equity capital is to part finance the augmentation of working capital, repayment of high cost loans, acquisition of new business and projects, investment opportunities and for other general corporate purposes. The capital raising options would further strengthen the financial position of the Company.

In order to increase its capital base for augment working capital, repayment of loans, acquisition of new business and projects, investment opportunities and for other general corporate purposes, it is proposing to create, offer, issue and allot equity shares at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories and combination of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate. The Company intends to issue Securities for a value of up to ₹1500 crores in one or more tranches.

The Special Resolution also seeks to empower the Board to undertake a qualified institutional placement with qualified institutional buyers as defined by SEBI ICDR Regulations, 2009 apart from other options of private / public placements. The Board may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI ICDR Regulations, 2009. The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations, 2009 shall be freely determined subject to such price not being less than the price calculated in accordance with provisions of Chapter VIII of the SEBI ICDR Regulations, 2009. The pricing of the Securities in other mode of placements would be as per applicable statutory provisions.

The Special Resolution seeks to give the Board, the powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement as may be applicable.

Section 81(1A) of the Companies Act, 1956 and the relevant clauses of the Listing Agreement with the Stock Exchanges where the Equity Shares and/or Class B Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81 unless the shareholders in a General Meeting or by way of postal ballot decides otherwise. Since, the Special Resolution proposed in the business of the Notice results in the issue of shares / securities convertible into shares of the Company otherwise than to the shareholders of the Company, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

Accordingly, the consent of the shareholders is also being sought in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares and/or Class B Shares of the Company are listed. The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company.

This resolution had earlier been passed in the Annual General Meeting held on 3rd November 2010 and once again in the Annual General Meeting held on 15th November, 2011. However, since no further equity / convertible instrument issuance had been done under the authority of the said resolution, it is proposed to once again obtain the same authority, since the earlier resolution was valid only upto 15th November 2012.

The Directors of the Company may be deemed to be concerned or interested in the said Resolution to the extent of Securities that may be subscribed by the companies / institutions / investors of which they are Directors or Members. The proposed offer is in the interest of the Company and your Directors recommends the Resolution for your approval.

Item No. 2 & 3

The salient features of the Scheme which have been approved by the Board on the recommendation of the Nomination and Remuneration Committee are as under:

1. Total number of options to be granted:
Not exceeding 25,00,000 (Twenty Five Lakh) options convertible into 25,00,000 (Twenty Five Lakh) equity shares of the Company as may be decided by the Nomination and Remuneration Committee from time to time would be available for being granted to eligible employees of the Company and its subsidiaries including the directors under the Scheme(s). Each option when exercised would be converted into one Equity Share of ₹ 2/- each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorised to re-grant such lapsed / cancelled options as per the provisions of the Scheme(s).

SEBI ESOS Guidelines require that in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 25,00,000 (Twenty Five Lakh) options as stated above from time to time shall be deemed to be increased to the extent of such additional equity shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):
All permanent employees of the Company, including any present and future subsidiary of the Company, including the Directors but excluding the promoters of the Company, as may be decided by the Board from time to time, would be entitled to be granted stock options under the Scheme(s).
3. Transferability of employee stock options
The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.
4. Requirements of vesting and period of vesting:
The options granted shall vest so long as the employee continues to be in the employment of the Company or the subsidiary as the case may be. The Board may, at its discretion, lay down certain performance matrix on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below) :
Options granted under Scheme(s) would vest not earlier than one year & not later than three years. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.
5. Exercise Price:
The Exercise Price in respect of options granted after the listing of Equity Shares should be as approved by the Board / Compensation Committee but such price shall not be less than the face value of Equity Shares of the Company to be issued and allotted to the option grantees in terms of the provisions of the Scheme(s).
6. Exercise Period and the process of Exercise:
The Exercise Period would be a maximum of three years from the date of vesting of options. The shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.
The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time. The options will lapse if not exercised within the specified exercise period.
7. Appraisal Process for determining the eligibility of the employees to ESOS:
The appraisal process for determining the eligibility of the employee will be specified by the Nomination and Remuneration Committee, and will be based on criteria such as role / designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion.
8. Maximum number of options to be issued per employee and in aggregate:
The number of options that may be granted to any specific employee under the Scheme(s) shall not exceed 0.50% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.
9. Disclosure and Accounting Policies:
The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI ESOS Guidelines.
10. Method of option valuation
To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.
The difference between the employee compensation cost computed using the Intrinsic Value method and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The resolutions at Item No. 2 and 3 of the Notice provide for authorising the Company to create, grant, offer, issue and allot options exercisable into shares or securities convertible into equity shares pursuant to the PRIL Employees Stock Option Scheme-2012 or any other stock option scheme(s) of the Company formulated hereafter (**the "Scheme(s)"**) to such person(s) who are in permanent employment of the Company including any Directors of the Company and that of its present and future subsidiaries.

As the Scheme(s) would provide for issue of shares to be offered to persons other than existing Members of the Company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and as per clause 6 of the SEBI ESOS Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolutions, except to the extent of the securities that may be offered to them under the Scheme(s).

Your Directors recommend the Resolution(s) at Item No. 2 and Item No. 3 as set out in this Notice for your approval.

Item No. 4

The earlier term of Mr. Rakesh Biyani as Wholtime Director of the Company was upto 31st March, 2012. The Nomination and Remuneration Committee & Board of Directors in their meetings held on 11th November, 2011 redesignated him as Joint Managing Director.

Further, the Nomination and Remuneration Committee & Board of Directors in their meetings held on 10th February, 2012 approved his re-appointment as Joint Managing Director for a further period of five years at a remuneration of ₹360 lacs per annum subject to the approval of the shareholders.

Accordingly, the Board of Directors recommends the above resolution for your consideration and approval as a Special Resolution for re-appointment of Mr. Rakesh Biyani as Joint Managing Director of the Company on the remuneration and on terms and conditions as per agreement executed between the Company and Mr. Rakesh Biyani.

The details of Mr. Rakesh Biyani in pursuance of the provisions of the Listing Agreement are as follows.

Date of Birth	05/04/1972
Date of Appointment	27/07/1992
Number of Shares held	1,000 Class B Shares (Series1)
Qualifications	Commerce Graduate and done Advanced Management Program from Harvard Business School
Experience in special functional Area	He is Joint Managing Director of the Company and is actively involved in the areas of category management, retail stores operations & information technology
Directorship held in other Public Companies	Indus-League Clothing Limited Future Supply Chain Solutions Limited Future Knowledge Services Limited Celio Future Fashions Limited Future Axiom Telecom Limited Goldmohur Design and Apparel Park Limited Turtle Limited Futurebazaar India Limited Clarks Future Footwear Limited Retailers Association's Skill Council of India Future Value Retail Limited. nuFuture Digital (India) Limited

Approval of the shareholders is sought for ratification of his re-appointment as Joint Managing Director of the Company.

None of the Directors except Mr. Rakesh Biyani for self and Mr. Gopikishan Biyani as father of Mr. Rakesh Biyani, are concerned or interested in the resolution.

Item No. 5

In terms of the provisions of Portfolio Investment Scheme ("PIS") under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 ("Regulations"), the ceiling for overall investment for Foreign Institutional Investors (FIIs) under the PIS is 24 per cent of the paid up capital of the Company. In terms of the Regulations, the ceiling of 24 per cent for FIIs investment under PIS can be raised up to sectoral cap/statutory ceiling subject to the approval of the Board of Directors and the Members of the Company by passing a special resolution to that effect.

The Company has been operating in Multi Brand Retail Trade Sector, wherein Ministry of Commerce & Industry, Department of Industrial Policy & Promotion (DIPP) has issued a Press Note No.5 (2012 Series) on 20th September 2012, raising the sectoral cap to 51% for foreign direct investment. Accordingly, the Company can now pass a special resolution to increase the investment limit of FIIs under PIS from present 24 per cent limit upto the sectoral cap permitted by the DIPP. In view of the same it is proposed to seek approval of the members through special resolution to increase the FIIs investment limit under PIS to 49% of its paid up share capital. The Board of Directors of the Company have at its meeting held on 9th November, 2012 inter alia, proposed, subject to the approval of Members and that of the concerned regulatory authorities, to increase the said FIIs investment ceiling under PIS to 49% of the equity paid up capital of the Company.

Your Directors recommend the Resolution at Item No. 5 as set out in this Notice for your approval.

None of the Directors are in any way concerned or interested in the resolution set out in Item No. 5 of the Notice.

By Order of the Board of Directors
for Pantaloen Retail (India) Ltd.

Deepak Tanna
Company Secretary

Place: Mumbai
Date: 24th December, 2012

Registered Office:
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai-400060

Regd. Office : Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060. Tel.: 3084 1300 / 6119 0000

POSTAL BALLOT FORM

(Kindly refer to the instructions specified overleaf before filling the form)

1. Name and Registered :
address of the sole/first
named Shareholder

2. Name(s) of :
Joint Shareholder(s)

3. Registered Folio No./ :
DP ID No./Client ID No.*
(*applicable to investors
holding shares in
Dematerialised Form)

4. Number of shares held :

Type of Equity Shares	No. of Shares	Votes entitled #
Equity Shares		
Class B (Series 1)		
Total		

Equity Shareholders – one vote for each share held.

Class B (Series 1) Shareholders - three vote for four shares held (fraction, if any, to be ignored)

5. I/ We hereby exercise my / our vote in respect of the Special Resolutions to be passed through postal ballot for the business stated in the notice of the Company by sending my / our consent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below.

Sr. No.	Brief Particulars of the Items	Number of Votes exercised corresponding to the total number of voting rights	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	Special Resolution under section 81(1A) other applicable provisions of the Companies Act, 1956 for issuance of further Securities of equity nature or having option of equity conversion or attached warrants for subscribing to equity warrants;			
2	Special Resolution for Employee Stock Option Scheme 2012 (ESOS – 2012);			
3	Special Resolution for Employee Stock Option Scheme – Subsidiary Companies;			
4	Special Resolution for re-appointment of Mr. Rakesh Biyani as Joint Managing Director;			
5	Special Resolution for Increase in limit for investments by Foreign Institutional Investors (“FII’s”) in the Company.			

Place :

Date :

(Signature of the Shareholder)

(must be as per specimen signature registered with the Company)

ELECTRONIC VOTING PARTICULARS

TYPE OF EQUITY SHARES	EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
Equity Shares (ISIN No. INE623B01027)			
Class B (Series 1) (ISIN No. IN9623B01058)			

INSTRUCTIONS

1. A shareholder desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the company in the attached self-addressed envelope. Postage will be borne by the Company. However envelopes containing postal ballot, if sent by any other mode at the expense of the registered shareholder will also be accepted.
2. Voting Rights: Shareholders holding equity shares shall have one vote per share as shown against their holding and shareholders holding Class B Shares (Series 1) shall have three votes for four shares as shown against their holding. Fraction, if any in the voting right is to be ignored as per provisions of Article 43B and terms of issue of Class B Shares (Series 1). The shareholders holding both type of shares will have combined voting right as shown in total row. The shareholders can vote for their entire voting rights as per their discretion. **Investors have to vote electronically for each class of shares separately .**
3. The self addressed envelope contains the address of the scrutinizer appointed by the Board of Directors.
4. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
5. Unsigned postal ballot or incomplete postal ballot forms will be rejected.
6. Duly signed Postal Ballot Form should reach the Company not later than the close of working hours on Saturday, 2nd of February, 2013. All postal ballot forms received after this date will be strictly treated as if reply from such shareholder has not been received.
7. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 6 above.
8. Voting rights shall be reckoned on the paid up value of the shares registered. In the name of the shareholder on the cut-off date i.e. 21st day of December, 2012.
9. In case of shares held by companies, trusts, societies etc. the duly filled in postal ballot form should be accompanied by a certified true copy of the appropriate Resolution.
10. In case of the postal ballot is signed by the holder of power of attorney reference to the power of attorney registration with the Company should be mentioned in the postal ballot form. In case a postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorisation to vote on the postal ballot should accompany the postal ballot form.
11. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. In compliance with the provisions of Section 192A of the Companies Act, 1956 read with (Passing of Resolution by Postal Ballot) Rules, 2011, the Company also offers e-voting option to all the members. For this purpose, the Company has signed an agreement with NSDL for facilitating e-voting and is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid.

The instructions for Members for e-voting are as under:

- (a) In case of Members' receiving e-mail from NSDL :
 - (i) Open e-mail and open PDF file viz: "Pantaloon e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Member – Login
 - (iv) Put User ID and password as initial password noted in step (i) above. Click Login
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles
 - (vii) Select "EVEN" of Pantaloon Retail (India) Limited
 - (viii) Now you are ready for e-Voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail bhattivirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
 - (b) In case of Members receiving Postal Ballot Form by Post (In Physical Form).
 - (i) **Initial password is provided at the bottom of the Postal Ballot Form.**
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
 - (c) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No: 022-24994600
 - (d) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
13. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of MCA have been sent Postal Ballot Notice by e-mail and who wish to vote through Ballot Form can obtain the Ballot Form from Registrar and Share Transfer Agent (R & T Agent), M/s. Linkintime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 or from the Company at its Registered Office and fill in the details and send the same to the Scrutinizer by Post at the address given at above.