

**POSTAL BALLOT FORM**

Sr. No. :

1. **Name and registered address of the Sole named Member (in block letters)** :
2. **Name of joint holders, if any** :
3. **Registered Folio No./ DP ID No. & Client ID No.** :
4. **Number of Shares Held** :

I/We hereby exercise my/our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in the Notice dated August 19, 2011 of the Company by sending my/our assent/dissent to the said resolution by placing a tick (✓) at the appropriate place in the box below :

Description	No. of shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Special Resolution pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, for the voluntary delisting of the equity Shares of India Securities Limited from the Bombay Stock Exchange Limited subject to a Delisting offer concluded by Promoter of the Company (acting either by itself or together with persons acting in concert)			

Place :

Date :

**Signature of the Members**

**INSTRUCTIONS**

1. A Member desiring to exercise his/her vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof will be permitted to be used for this purpose) and send it to the Scrutinizer at the attached self addressed envelope. Postage will be borne & paid by the Company(except for forms sent from out of India). However, envelopes containing Postal Ballot Forms, if deposited with the Company in person or sent by courier at the expense, of the Member(s), shall be accepted by the Company.
2. Voting rights shall be reckoned on the paid up value of equity shares registered in the name of the members on August 12, 2011. The date of dispatch shall be announced through the advertisement.
3. The self – addressed envelope bears the name of Mr. V Mahesh, Practicing Company Secretary, appointed as Scrutinizer by the Board of Directors of the Company.
4. Assent/dissent to the proposed resolution may be recorded by placing a tick ( ✓ ) in appropriate column. The assent/dissent in any other format shall be considered invalid.
5. This Form should be completed and signed by the Member(s) as per specimen signature(s) registered with the Company or with the Depository Participant as the case may be. In case of joint shareholding, this Form should be completed and signed by the first named Member and in his absence, the next named Member.
6. In case of the shares held by Companies, bodies corporate, trusts, societies etc., if the postal ballot form is signed by any person whose signature is not registered with the Company or with the Depository Participant as the case may be, it shall be accompanied by Board Resolution/authorisation in favour of person voting on postal ballot and his attested specimen signature.
7. The Postal Ballot Form cannot be exercised by the Proxy.
8. Incomplete, unsigned, improperly, and incorrectly tick marked Postal Ballot Forms will be rejected.
9. **Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours i.e. 5.30 p.m. on September 24, 2011. Postal Ballot Forms received after this date will be strictly treated as if the reply of the Member(s) has not been received.**
10. Member(s) are requested not to send any document (other than the Resolution/Authority as mentioned above) along with the Postal Ballot Form in the enclosed self – addressed postage pre- paid envelope as all the envelopes will be sent to the Scrutinizer and if any extraneous matter is found in such envelope, the same would be destroyed by the Scrutinizer.
11. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final.
12. The date of declaration of the results of the postal ballot shall be date on which the resolution would be deemed to have been passed.

**NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956**

NOTICE is hereby given to the members of India Securities Limited pursuant to section 192A of the Companies Act, 1956 read with The Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 read with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 that it is proposed to transact the following special business by passing the resolution through postal ballot:

**SPECIAL BUSINESS:**

**Voluntary Delisting of the Equity shares of the Company from Bombay Stock Exchange Limited**

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution by way of Postal Ballot:

“**RESOLVED THAT** pursuant to the letters dated August 9, 2011 received from Essar Capital Limited and Essar Teleholdings Limited (the “Promoters”) Holding 74.98% of the equity share capital in the Company (“Promoter holding”) conveying their intention to voluntarily delist the equity shares (“Equity Shares”) of the Company from the Bombay Stock Exchange Limited (“BSE”) in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“Delisting Regulations”), and further pursuant to the approval of the Board of Directors of the Company to the voluntary delisting of the Equity Shares of the Company from the BSE on August 9, 2011, and further pursuant to regulation 5 of the Delisting Regulations and subject to the applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), and receipt of the necessary approvals from the BSE and such other authorities, regulatory or otherwise, as may be required and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee of the Board or person authorized by the Board thereof for the time being exercising the powers conferred on the Board by this resolution), the voluntary delisting of the Equity Shares of the Company from the BSE be and is hereby approved and the Company (which term shall be deemed to include any committee of the Board or person authorized by the Board thereof) shall take all necessary steps and make all necessary filings to facilitate such delisting in accordance with the conditions specified in the Delisting Regulations”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the voluntary delisting of the equity shares as described herein above, Mr. V. G. Raghavan, Chairman or Mr. Vikash Saraf, Director or Ms. Harshada Pathak, Company Secretary, be and are hereby authorized severally on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose, including making applications to the BSE to seek their in-principle and final approval for the proposed voluntary delisting of the equity shares of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any committee of the Directors or any Director(s) or officer of the Company to give effect to the aforesaid resolution”

By the order of the Board  
For **India Securities Limited**

Sd/-  
**Harshada S. Pathak**  
Company Secretary

Place: Mumbai  
Date: August 19, 2011

**Notes:**

1. The explanatory statement pursuant to Section 173(2) and 192A setting out the material facts is annexed herewith.
2. Only a shareholder who is entitled to vote is entitled to exercise his/her vote through Postal Ballot. Voting Rights shall be reckoned on the paid up value of equity shares registered in the name of the Member on the August 12, 2011. The date of dispatch shall be announced through advertisement and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.
3. Company is seeking consent of members through voting by postal mode and not by electronic mode.
4. The Board of Directors of the Company at their meeting held on August 9, 2011, has appointed Mr. V. Mahesh, Practicing Company Secretary as the Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner and to receive the completed postal ballot papers from the members. The Postal Ballot Form and self addressed business reply envelope are enclosed for use of members.

5. **You are requested to carefully read the instructions printed in the Postal Ballot Form and return the duly completed form so as to reach the scrutinizer not later than close of business hours on September 24, 2011, failing which it will be strictly considered as if no reply has been received from the members.** The postage will be borne and paid by the Company. It is however clarified that members desiring to exercise their vote from outside the India will have to arrange for postage as may be applicable.
6. The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other person authorised by the Chairman, upon completion of scrutiny of postal ballot forms in a fair and transparent manner and the results of the postal ballot will be announced on September 27, 2011 at 5.30 p.m. at the Company's Registered Office and the said declaration of results of Postal Ballot will be taken to be the date of passing of the resolution. The results will also be displayed on the Company's website [www.essar.com](http://www.essar.com) apart from communicating to Bombay Stock Exchange where the Company's shares are listed.

#### **ANNEXURE TO NOTICE**

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

As members are aware, the Company's wholly owned subsidiary, ETHL Communications Holdings Limited has entered into definitive agreement for sale of entire stake held by it in Vodafone Essar Ltd. to Vodafone Group at a consideration of USD 1.26 billion. The sale will be consummated on or before 15<sup>th</sup> February, 2012. The Promoters intend to consolidate the Company with unlisted group investment companies to form a single investment holding company.

In view of the above, the Promoters have decided to offer exit opportunity to all public shareholders through delisting process under Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") subject to approvals as mentioned in the said Regulations. Accordingly, the Company has received letters from Essar Teleholdings Limited and Essar Capital Limited (the "Promoters") conveying their intention to voluntarily delist the equity shares of the Company from the Bombay Stock Exchange Limited and requesting to obtain consent of equity shareholders for the proposed voluntary delisting in accordance with the Delisting Regulations.

At present, Promoters together with Persons Acting in Concert ("Essar Group") holds 65,66,46,250 equity shares aggregating to 74.98% of the total equity share capital of Company.

As per the Delisting Regulations, a Company may voluntarily delist its equity shares from the stock exchanges where its equity shares are listed, if the acquirer provides an exit opportunity to the shareholders of the Company and accepts the exit price for delisting the equity shares in accordance with the reverse book building process prescribed in the Regulations and subject to the other terms and conditions contained therein (including the making of a public announcement containing the requisite information as prescribed in the Regulations).

As per the terms of the Delisting Regulations, the special resolution passed by the shareholders shall be acted upon only if the votes cast by the public shareholders in favour of the Delisting Proposal amount to at least two times the number of votes cast by the public shareholders against it.

The Exit Price shall not be lower than the floor price of Rs. 56/- (Rupees fifty six Only) determined in accordance with the Delisting Regulations. The net asset value of the Company is Rs. 36/- per share as per the Valuation report by Ms Nisar & Kumar, Chartered Accountants, and Statutory Auditors of the Company.

Accordingly, the approval of the shareholders is sought for the aforesaid Special Resolution, after which, the Promoters will proceed, at its discretion, to make an offer to the shareholders of the Company and purchase the shares at the Exit Price in accordance with the provisions of the Delisting Regulations.

In view of floor price being higher than net asset value per share, the Board recommends passing of the Special resolution.

None of the Directors shall be deemed to be concerned or interested in the aforesaid resolution.

By the order of the Board  
For **India Securities Limited**

Sd/-  
**Harshada S. Pathak**  
**Company Secretary**

Place: Mumbai  
Date: August 19, 2011

**Registered Office:**  
New No. 77/56,  
C. P. Ramaswamy Road,  
Abhirampuram, Chennai  
Pin : 600018