


AFTEK LIMITED

Registered Office : "Aftek House", 265, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028

Dear Shareholder(s),

**Notice pursuant to Section 192A(2) of the Companies Act, 1956 read with the Companies
(Passing of the Resolution by Postal Ballot) Rules, 2001**

Notice is hereby given to the members of Aftek Limited, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, (including any statutory modification or re-enactment thereof for the time being in force), that the enclosed resolution seeks shareholders' consent for revision in the conversion price of outstanding 1% Foreign Currency Convertible Bonds Due 2010 ("Bonds") issued by the Company in the year 2005 and is proposed to be passed by way of Postal Ballot.

In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, a listed company may propose any resolution to be passed through postal ballot in accordance with the provisions contained therein. To facilitate wider participation in the approval process by shareholders residing at different locations, the Company is seeking approval of the shareholders through postal ballot instead of convening a general meeting of the shareholders. The Company is desirous of seeking your consent for such proposals as is contained in the resolution appended below. Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons therefor is annexed hereto. The said Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form ("Form") for your consideration. The Board of Directors has appointed Mr. V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Company Secretaries, and failing him Mr. Vinay Terse of M/s. Vinay Terse & Associates, Company Secretaries as Scrutinizer for conducting the postal ballot process.

You are requested to carefully read the instructions printed in the Form and return the said Form (no other form or photocopy thereof is permitted) duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours on or before 5.30 p.m. on September 24, 2010. The postage will be borne and paid for by the Company.

The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other Director, Company Secretary or Officer authorised by the Chairman in this behalf, upon completion of Scrutiny of Postal Ballots in a fair and transparent manner and the results of the Postal Ballot will be announced by the Chairman or in his absence by a Director or the Company Secretary or such other Authorised Officer of the Company on September 28, 2010 at the Company's Registered Office. The results of the Postal Ballot will also be displayed at the said address, besides being communicated to the Stock Exchanges where the Company's shares are listed.

The date of declaration of the result of postal ballot will be taken to be the date of passing of the resolution.

1. Special Resolution:

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 Press Notes F. No. 9/3/2009-ECB issued by the Ministry of Finance, Government of India on 15th February 2010 and 15th March 2010, and other applicable provisions of law, rules and regulations, schemes, press notes, guidelines and subject to such approvals, consents, permissions and sanctions as may be required from the Reserve Bank of India, stock exchanges, and/or any other relevant authority(ies) and the holders of outstanding 1% Foreign Currency Convertible Bonds Due 2010 of US\$ 10,000 each ("Bonds") issued by the Company, the Board of Directors of the Company be and is hereby authorized to revise the conversion price and other terms and conditions of the Bonds as may be necessary, expedient or desirable.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board or any duly constituted committee of the Board be and is hereby authorized to finalize, sign, execute agreements, deeds, documents, letters and such other papers, as may be necessary, as also do all such acts, deeds, matters and things and take all such steps as it may in its absolute discretion deem fit with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

By Order of the Board of Directors
C G Deshmukh
Company Secretary

Registered Office :
"Aftek House",
265, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai – 400 028

Date : August 17, 2010

Notes:

1. The relevant Explanatory Statement pursuant to Sections 173(2) and 192A of the Companies Act, is annexed hereto.
2. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturday between 11.00 A.M. and 3.00 P.M. upto September 24, 2010

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) & 192A OF THE COMPANIES ACT, 1956

Item No.1

The Company has, on 24th June 2005 issued 3,000 numbers of 1% Foreign Currency Convertible Bonds due 2010 of US\$ 10,000 each ("Bonds") and on 22nd July 2005 issued further 450 numbers of Bonds under the Green Shoe Option. While 2,570 Bonds have already been converted into Equity Shares/Global Depository Receipts ("GDRs"), 880 Bonds are presently outstanding.

The Ministry of Finance, Government of India has issued Press Notes F. No. 9/3/2009-ECB on 15th February 2010 and 15th March 2010 ("Press Notes"), whereby companies which have issued foreign currency convertible bonds prior to 27th November 2008 have been permitted to revise the conversion price of such foreign currency convertible bonds in accordance with the pricing norms introduced vide Press Note dated 27th November 2008. Major bondholders have shown keen interest in such revision of conversion price of the Bonds. Accordingly, it is proposed to revise the conversion price as per the aforesaid Press Notes and also amend the other terms and conditions of the Bonds as may be necessary, expedient or desirable. The said proposal, besides affording financial flexibility to the Company, will also result into conservation of foreign exchange resources.

The shareholders, vide resolution dated 28th December 2004, have already approved, under Section 81(1A) of the Companies Act, 1956, the issuance of Equity Shares/GDRs on conversion of the Bonds. The proposed revision of conversion price and consequent issue of equity shares will not breach Foreign Direct Investment (FDI) limits. Pursuant to the aforesaid Press Notes, approval of shareholders is required for revising the conversion price of the Bonds. The Board of Directors recommends the resolution mentioned in the accompanying Notice for your approval as a Special Resolution.

None of the Directors of the Company is concerned or interested in the said Resolution.

By Order of the Board of Directors
C G Deshmukh
Company Secretary

Registered Office :
"Aftak House",
265, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai - 400 026

Date : August 17, 2010