

AksharChem

AKSHARCHEM (INDIA) LIMITED

CIN: L24110GJ1989PLC012441

Registered Office: 166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana – 382 715

Tel: (02764) 233007 to 10 Fax: (02764) 233550

Website: www.aksharchemindia.com e-mail ID: cs@aksharchemindia.com

POSTAL BALLOT NOTICE

[Notice pursuant to Section 110 of the Companies Act, 2013, as amended,
read with the Companies (Management and Administration) Rules, 2014, as amended]

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, as amended, (the "Companies Act, 2013") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, (the "Management Rules") including any statutory modification or re-enactment thereof for the time being in force, applicable regulation(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions and regulations, if any, that the resolutions appended below is proposed to be passed by way of Postal Ballot/E-voting. The Explanatory Statement pertaining to the Resolutions setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form for your consideration. In the event the draft resolutions as set out in the notice is assented to by the requisite majority by means of Postal Ballot or E-voting (whichever method the Shareholder opts for), they shall be deemed to have been passed as Special Business at an Extraordinary General Meeting.

The Board of Directors has appointed Mr. Bipin L. Makwana, Company Secretary in Practice, Ahmedabad as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner and National Securities Depository Limited (NSDL) as agency in respect of remote e-voting for the Postal Ballot.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said form duly completed in all respect in the attached self-addressed prepaid postage envelope, if posted in India. The duly completed Postal Ballot Form(s) should reach the Scrutinizer at Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, not later than 5:00 p.m. on Tuesday, the 3rd January, 2017. Please note that any Postal Ballot Form(s) received after the said date and time will be treated as not having been received. E-Voting facility is also provided to all eligible Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through electronic means' in this Notice.

Upon completion of the Postal Ballot Process (including voting by electronic means) the Scrutinizer will submit within a period of not exceeding two (2) working days from the conclusion of the Postal Ballot Process (including e-Voting period) unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairperson and Managing Director or in her absence to Joint Managing Director of the Company or any other person appointed by Chairperson and Managing Director of the Company. The results of the Postal Ballot (including e-voting) would be announced by the Chairperson and Managing Director and in her absence by the Joint Managing Director of the Company or any other person appointed by Chairperson and Managing Director of the Company on or before 5th January, 2017 at 11.00 a.m. at the Registered Office of the Company. The said results would be displayed at the Registered Office, intimated to the Stock Exchanges where the Company's equity shares are listed and displayed along with the Scrutinizer Report on the Company's website and the website of NSDL and be published in the newspapers on 6th January, 2017.

The Resolution shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting, if approved by the members with requisite majority. The Members are requested to consider and, if thought fit, pass the following resolution(s):

SPECIAL BUSINESS:

1. TO INCREASE THE AUTHORISED SHARE CAPITAL

To consider and if thought fit, to give assent/dissent to the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 61(1)(a) and 64(1)(a) of the Companies Act, 2013, and the relevant rules formed there under and in accordance with the provisions of the Articles of Association of the Company, the Authorised share capital of the Company be and is hereby increased from ₹ 8,50,00,000 (Rupees Eight Crore Fifty Lacs only) divided into 85,00,000 (Eighty Five Lacs) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each by creation of additional 1,15,00,000 (One Crore Fifteen Lacs) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT the new equity shares shall rank pari passu with the existing equity shares of the Company."

2. TO AMEND THE MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to give assent/dissent to the following as a **Special Resolution**:

"RESOLVED THAT in order to reflect the increase in authorised share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, the consent of the Board is hereby accorded to amend the existing Clause V of Memorandum of Association of the Company with the following:

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V. "The Authorised Share Capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each."

3. TO ISSUE EQUITY SHARES INCLUDING CONVERTIBLE BONDS/DEBENTURES THROUGH QUALIFIED INSTITUTIONAL PLACEMENT (QIP) AND / OR DEPOSITORY RECEIPTS AND/ OR ANY OTHER MODES FOR AN AMOUNT NOT EXCEEDING RS.200 CRORES.

To consider and if thought fit, to give assent/dissent to the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act, 2013") and rules made thereunder, Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, ("SEBI ICDR Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Listing Agreements entered into by the Company with the stock exchanges where equity shares of the Company of face value ₹ 10 each are listed, enabling provisions of the Memorandum and Articles of Association of the Company, the Depository Receipts Scheme, 2014, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and any statutory modifications, re-enactments or amendments from time to time to the above mentioned regulations, rules and schemes and clarifications issued thereon from time to time and subject to other applicable laws, rules, regulations, guidelines, notifications and circulars issued by various competent authorities / bodies, whether in India or abroad and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India ("SEBI"), Government of India ("GOI"), Reserve Bank of India ("RBI"), Foreign Investment Promotion Board ("FIPB"), Department of Industrial Policy & Promotion ("DIPP") and all other appropriate and / or competent authorities or bodies whether in India or abroad to the extent applicable and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("the Board" which term shall include any Committee which the Board may constitute to exercise its powers including the powers conferred under this Resolution), consent of the Company be and is hereby accorded to the Board to offer, create, issue and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers ("QIB"), Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, trusts, stabilizing agents or otherwise or any combination thereof, whether or not such investors are shareholders through issue of Equity Shares and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCB") and/or Fully Convertible Debentures and/or Partly Convertible Debentures and/ or Optionally Convertible Debentures and/ or Non-convertible Debentures with Warrants and/ or Debentures and/ or Commercial Papers ("CP") and/ or debt securities or other securities convertible into equity shares at the option of the Company and/ or holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to subscribe to the equity shares or otherwise ("Securities") or a combination of any other Securities through one or more public or private offering in domestic and / or one or more international market(s), with or without green shoe option, or a qualified institutional placement ("QIP"), as the Board may deem appropriate, in terms of SEBI ICDR Regulations or by one or more combination of the above or otherwise and at such time or times in one or more tranches, whether rupee denominated or denominated in foreign currency, at such price or prices, at market price or at a discount or premium to market price in terms of applicable regulations, to any eligible investors, including residents and/or non-residents and/or QIBs and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agents or otherwise, whether or not such investors are members of the company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an amount not exceeding ₹ 200 Crores (Rupees Two Hundred Crores only) in Indian Rupees or an equivalent amount in any foreign currency, as the Board may determine, where necessary in consultation with the Lead Managers, Merchant Bankers, Underwriters, Guarantors, Financial and / or Legal Advisors, Depositories, Registrars and other agencies and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible.

RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Transfer or Issue of Securities by a person resident outside India) Regulations, 2000 and such other notifications, clarifications, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactments thereof).

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, subject to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, including any statutory modifications, re-enactments or amendments thereto from time to time and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of determining the floor price for conversion of the FCCBs into Equity Shares shall be the date of the meeting in which the Board or duly authorized Committee of directors decides to open such issue after the date of this Resolution or such other date as may be prescribed under applicable law.

RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI ICDR Regulations, the pricing shall be determined in compliance with principles and provisions set out under the SEBI ICDR Regulations and the Board may offer a discount of not more than 5% (Five per cent) on the price calculated for the QIP or such other discount as may be permitted under said SEBI ICDR Regulations.

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RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI ICDR Regulations, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue or such other date as may be prescribed under applicable law.

RESOLVED FURTHER THAT the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalization and approval of the offer documents(s), private placement offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, premium amount on issue / conversion / exercise / redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Equity Shares so issued, shall in all respects rank pari passu with the existing Equity Shares of the Company and shall be listed with the stock exchanges where the Company's existing equity shares are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts / agreements, memorandum, documents, etc. as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, is authorised to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to any of the aforesaid or otherwise in relation to the issue of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any Officer of the Company, if required."

4. TO AUTHORIZE THE BOARD OF DIRECTORS OF THE COMPANY TO SECURE THE BORROWINGS

To consider and if thought fit, to give assent/dissent to the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors ("the Board", which term shall include any Committee which the Board may constitute to exercise its powers including the powers conferred under this resolution) to create from time to time such mortgage, hypothecation, charges, liens, pledge, assignment, transfer and/or other securities already created by the Company including those, if any, created pursuant to the special resolution passed by the shareholders in the 25th Annual General Meeting be and is hereby ratified by this resolution, on terms and conditions as the Board in its sole discretion may deem fit, on Company's assets and properties, both present and future, whether immovable, movable, current assets or stock-in-trade including whole or substantially the whole of the Company's undertaking(s) in favour of Financial Institution(s)/Bank(s)/Body Corporate(s) / other Agencies / Trustees for the holders of the Debentures / Bonds, other instruments / and /or person or persons (hereinafter called "Lenders") as may be agreed to by the Board for the purpose of securing any financial facilities / the repayment of any loans/

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financial assistance / other borrowings, subject to maximum of ₹ 500 Crores (Rupees Five Hundred Crores Only) together with interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, cost, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements/arrangements entered into / to be entered into by the Company in respect of the said Loans, Debentures, Bond or other instruments as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize the terms and conditions for creating the aforesaid mortgage, hypothecation, charges, liens, pledge, assignment and/ or any other encumbrances and to execute the documents, letters, papers, undertakings and such other agreements including amendments thereto from time to time, as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company.”

5. TO GIVE BORROWING POWERS TO THE BOARD OF DIRECTORS OF THE COMPANY

To consider and if thought fit, to give assent/dissent to the following as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors (“the Board”, which term shall include any Committee which the Board may constitute to exercise its powers including the powers conferred under this resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose including those, if any, borrowed pursuant to the special resolution passed by the shareholders in the 25th Annual General Meeting be and is hereby ratified by this resolution, on terms and conditions as the Board in its sole discretion may deem fit, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹ 500 crores (Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

6. TO GIVE LOANS OR TO GIVE GUARANTEE OR TO PROVIDE SECURITIES IN CONNECTION WITH THE LOAN MADE TO ANY OTHER BODY CORPORATE OR PERSON OR TO MAKE INVESTMENT

To consider and if thought fit, to give assent/dissent to the following as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and such other provisions as may be applicable, including any statutory modification or re-enactment thereof for the time being in force, consent of the members 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 of the Board constituted to exercise its powers, including the powers conferred by Resolution) to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, give any loan or guarantee or provide security in connection with a loan to any other body corporate or person, upto a sum of ₹ 300 Crores (Rupees Three Hundred Crores Only), notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively “transaction”) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction.”

Place : Indrad, Mehsana
Date : November 14, 2016
Registered Office :
166-169, Village Indrad,
Kadi – Kalol Road, Dist : Mehsana
Gujarat – 382 715 (India)
CIN : L24110GJ1989PLC012441

For and on behalf of Board of Directors

PARU M. JAYKRISHNA
Chairperson and Managing Director
DIN: 00671721

NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts pertaining to the proposed resolutions is annexed hereto along with a Postal Ballot Form for your consideration.
2. All the material documents referred in the Postal Ballot Notice and Explanatory Statement setting out material facts are open for inspection at the registered office of the Company during the business hours i.e. 9.00 a.m. to 6.00 p.m. on all working days except Saturdays and Sundays and National Holidays from the date of dispatch of the Notice till Tuesday, January 3, 2017.

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3. Members are requested to notify immediately any change in their address, to their DP in respect of their Demat Accounts and to the Registrar in respect of their physical shares, as the case may be. To support 'Green Initiative' Members holding share in physical mode are requested to register their email ids with the Company/Registrar.
4. The Board of Directors of the Company has appointed, Mr. Bipin L. Makwana, Company Secretary in Practice (Membership No. A15650), Ahmedabad as the Scrutinizer for conducting the Postal Ballot and E-voting process in a fair and transparent manner.
5. The Postal Ballot Notice is being sent to all the members whose names appear in the Register of Members/ List of Beneficial Owner as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, November 25, 2016. Accordingly the Members, whose names appear on the Register of Members/ List of Beneficial Owners as received from NSDL and CDSL as on Friday, November 25, 2016 (cut-off-date) will be considered for the purpose of voting. A Person who is not a member as on that date should treat this notice for information purposes only.
6. In accordance with the provisions of Section 101 of the Act read with Rules 18, 20 and 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice is being sent by email to those members who have registered their email address with the Company (in respect of shares held in physical form) or with their depository participants (DP) (in respect of shares held in electronic form) and made available to the Company by the Depositories. Members who have not registered their email addresses will receive this Postal Ballot Notice along with the Postal Ballot Form through Post.
7. In compliance with the provisions of Sections 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013 and the allied Rules framed thereunder and the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the eligible Members of the Company.
8. The Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Please note that e-voting is optional. Shareholders are requested to read carefully the instructions given below before casting their vote electronically. A member can log in any number of times till the votes are casted on all the resolution or till the end of the Voting Period whichever is earlier.
9. The Postal Ballot Form and self-addressed pre-paid postage envelopes are enclosed for use of the shareholders and it bears the address to which the duly completed Postal Ballot Forms are to be sent. The shareholders are requested to read carefully the instructions printed on the Postal Ballot Form and return the Form duly completed and signed in the attached self-addressed pre-paid postage envelopes so as to reach the Scrutinizer on or before 5:00 p.m. on Tuesday, 3rd January, 2017, failing which it shall be strictly treated as if no reply has been received from such shareholder.
10. Only a shareholder who is entitled to vote is entitled to exercise his/her/its vote through Postal Ballot or e-voting. The date of completion of dispatch of notice will be announced through advertisement in newspaper(s).
11. For any query connected with the Resolution proposed to be passed by means of Postal Ballot including voting by electronic means may contact Mr. Meet Joshi, Company Secretary of the Company through email at cs@aksharchemindia.com.
12. In case a Member is desirous of obtaining Postal Ballot in printed form or duplicate one, the member may write to the Company or send an email to cs@aksharchemindia.com. The Company shall forward the same along with self-addressed pre-paid Business Reply Envelope to the members.
13. Kindly note that a Shareholder can opt any one mode for voting i.e. either Physical through Postal Ballot Form or e-voting. In case a shareholder opts for e-voting, he cannot exercise his vote through Postal Ballot Form and vice-versa. However, in case shareholder(s) cast their vote both by Physical Ballot and e-voting, then the voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid. The Scrutinizer's decision on the validity of the votes cast through E-voting/Postal Ballot shall be Final.
14. Copy of the postal ballot notice will be available on the website of the Company at www.aksharchemindia.com till the last date for receipt of the postal ballots from the members.
15. The voting rights of the Members shall be in proportion to their shares in the total paid up equity share capital of the Company.
16. Voting rights in the Postal Ballot cannot be exercised by Proxy.
17. In case the shares are jointly held, the Postal Ballot Form should be completed and signed by the first named member and in his/her absence, by the next named member.
18. In case of shares held by Companies, Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by the relevant Board Resolution/Authority Letter duly certified by Authorized Signatory(ies).
19. **Voting through Physical Postal Ballot Form:**
 - I. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed prepaid postage Business Reply Envelope. Postage charges will be borne and paid by the Company.
 - II. The Postal Ballot Form, duly completed and signed by the Member(s) should be returned in the enclosed self-addressed pre-paid postage Business Reply Envelope directly to the Scrutinizer so as to reach the Scrutinizer on or before Tuesday, January 3, 2017 by 5.00 p.m. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Member(s) has not been received. No other form or photocopy of the Postal Ballot Form will be permitted/ accepted.

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20. Voting through electronic means:

I. Pursuant provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to members to exercise their right to vote at this Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereinafter.

II. The process and manner for remote e-voting are as under:

A. In case a Member receiving e-mail from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)]:

- (i) Open email and open PDF file viz.; "AKSHARCHEM.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password. You will not receive any PDF file in case you are already registered with NSDL.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) In case you are logging in for the first time –
 - a. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - b. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of e-voting will open. Click on e-voting → Active Voting Cycles
- (vi) Select "EVEN" of AksharChem (India) Limited. You can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period i.e. till 5.00 p.m. IST on January 3, 2017.
- (vii) Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Please note that once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xi) Institutional shareholders (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 and preferably with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to makwanabipin577@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Postal Ballot Notice [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the Ballot Form:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.

III. The voting period begins on 5th December, 2016 at 9:00 a.m. and ends on 3rd January, 2017 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 25th November, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the "Downloads" section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

V. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VI. 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).

21. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to Stock Exchanges where the Company's equity shares are listed.

AksharChem

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1 & 2

The Company proposes to raise funds up to ₹ 20 Crores by issuing further equity shares on preferential basis/ Qualified Institutional Placement (QIP)/Convertible Debentures and any other securities in one or more combination thereof. The existing Authorised Capital of the Company is ₹ 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs only) which would not be sufficient to cover the proposed amount of issue. In view of this, the Company proposes to increase the existing authorised equity capital from ₹ 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs only) to ₹ 20,00,00,000 (Rupees Twenty Crores only) by creating additional 1,15,00,000 (One Crore Fifteen Lacs) equity shares of ₹ 10/- each thereby increasing the existing Authorised Capital from ₹ 8,50,00,000/- (Rupees Eight Crores Fifty Lakhs only) to ₹ 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) equity shares of ₹ 10/- each.

The proposed increase in Authorised Capital will consequently require alteration in Capital clause V of Memorandum of Association of the Company.

The Ordinary resolution is therefore proposed at item no. 1 of the notice to increase the Authorised Share Capital of the Company and Special resolution is proposed at item no 2 of the notice for making necessary alterations in Capital clause V of Memorandum of Association of the Company.

The Board recommends the resolution as set out in Item No. 1 & 2 of the accompanying Notice for the approval of the shareholders as ordinary and special resolution respectively by way of postal ballot.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution(s) except to the extent of their shareholding in the Company, if any.

Item No. 3

The Company is setting-up a manufacturing unit at plant location to produce various value added products. This would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements for setting-up the said new unit.

The requirement of funds is proposed to be met from both equity and debt from issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet with the objective of optimization of the cost as well as conservative financial management.

Pursuant to section 62(1)(c) of the Companies Act, 2013 and rules made thereunder, as amended, in case the Company proposes to issue equity shares to any persons other than existing shareholders, whether or not such persons are shareholders, approval of shareholders through a special resolution is required.

The Board of Directors, accordingly, at their meeting held on 14th November, 2016 has recommended to the shareholders to give their consent through special resolution to the Board of Directors or any Committee of the Board, to raise funds through issuance of Equity Shares and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds / Debentures and/or Commercial Papers ("CP") or any other debt securities or any equity linked instrument/s ("Securities") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or qualified institutional placement ("QIP") and / or any other permitted modes at a price to be determined as per the SEBI (Issue of Capital & Disclosure Requirement) Regulations, as amended (the "SEBI ICDR Regulations") or as per other applicable rules and regulations, upto an amount not exceeding ₹ 200 Crores (Rupees Two Hundred Crores only) in Indian Rupees and / or an equivalent amount in any foreign currency under section 62 read with section 179 of the Companies Act, 2013, as amended or other applicable laws. While no specific instrument or instruments of Securities has been identified at this stage, the Board may opt for an appropriate instrument in the best interest of the Company. Such issue shall be subject to the provisions of the Companies Act, 2013, as amended and rules made there under from time to time, Memorandum and Articles of Association of the Company, SEBI ICDR Regulations and other applicable laws.

Pursuant to Sections 42 and 62 of the Companies Act, 2013, as amended read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, a company offering or making an invitation to subscribe aforesaid Securities is required to obtain prior approval of the shareholders by way of the special resolution. If approved by shareholders, QIP issue shall be completed within one year from the date of passing of special resolution and in case of issue by way other than QIP, provisions as applicable to the proposed issue shall be applicable. Equity Shares, proposed to be issued, shall in all respects rank pari passu with the existing equity shares of the Company.

In view of the above, it is proposed to seek approval from the Shareholders of the Company to offer, create, issue and allot above Securities, in one or more tranches, to Investors, inter alia, through QIP by way of private placement or otherwise and to authorise the Board of Directors (including any Committee thereof authorised for the purpose) to do all such acts, deeds and things on the matter. The Board may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

The resolution contained in item no. 3 of the accompanying Notice, accordingly, seek shareholders' approval through special resolution for raising funds as above through issue of Securities in one or more tranches and authorizing the Board of Directors (including any Committee thereof authorised for the purpose) of the Company to complete all the formalities in connection with the issue of Securities.

The Board recommends the resolution as set out in Item No. 3 of the accompanying Notice for the approval of the shareholders as special resolution by way of postal ballot.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution(s) except to the extent of their shareholding in the Company, if any.

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Item No. 4

In terms of the provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/ or immovable properties of the Company, maybe deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the members of the Company by way of a Special Resolution. Therefore, it is proposed to pass this enabling resolution to authorize the Company to create a charge or mortgage on the assets or properties of the Company for an amount not exceeding ₹ 500 Crores thereof, in excess of the aggregate of the paid-up capital of the Company and its free reserves. In furtherance of the same, the Board recommends passing of the Special Resolution set out in Item No. 4 of the Postal Ballot Notice.

In terms of the provisions of Section 110 of the Companies Act, 2013, read with the Rules issued thereto, the approval of the shareholders for the same is sought by means of a Special Resolution.

The Board recommends the resolution as set out in Item No. 4 of the accompanying Notice for the approval of the shareholders as special resolution by way of postal ballot.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution(s) except to the extent of their shareholding in the Company, if any.

Item No. 5

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by special resolution, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose).

Considering the Company's future growth plans, both organic & inorganic, it is necessary to obtain the approval of the members for borrowing monies in excess of the aggregate of the paid-up capital of the Company and its free reserves and to secure the re-payment upto ₹ 500 Crores thereof. In furtherance of the same, the Board recommends passing of the Special Resolution set out in Item No. 5 of the Postal Ballot Notice.

In terms of the provisions of Section 110 of the Companies Act, 2013, read with the Rules issued thereto, the approval of the shareholders for the same is sought by means of a Special Resolution.

The Board recommends the resolution as set out in Item No. 5 of the accompanying Notice for the approval of the shareholders as special resolution by way of postal ballot.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution(s) except to the extent of their shareholding in the Company, if any.

Item No. 6

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Power) Rules, 2014 and in supersession to the all earlier resolutions, the Board of Directors is authorized to give loans, guarantees or provide securities, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, its own subsidiary, associate company as may be required from time to time, exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

In case the above limits are exceeded then, prior approval of shareholders by way of special resolution will be required. Members may note that in order to support its business activities, the Company may be required to give loans and/or any other form of debt to any person or other body corporate/s and / or give guarantee/s and / or provide security/ies in any other body corporate/s and/or acquire by way of subscription, investment, purchase or otherwise, the securities of any other bodies corporate in connection with the limits prescribed under the Companies Act, 2013 and rules made thereunder and as the Board of Directors may think fit, provided that the total loans or investments made, guarantee given, security provided, shall not at any time exceed ₹ 300 Crores (Rupees Three Hundred Crores) or limits so prescribed under section 186 (as may be amended from time to time), whichever is higher.

It is therefore necessary to obtain prior approval of the shareholders by means of a Special Resolution, authorizing the Board to exercise aforesaid powers, up to the maximum amount not exceeding ₹ 300 Crores (Rupees Three Hundred Crores) outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees/ securities / investments exceeds the prescribed limits under the Companies Act, 2013.

In view of the same it is proposed to pass enabling resolutions authorizing Board of Directors of the company to give guarantees, securities, loans and/or make investments up to the limits as mentioned above or limits prescribed under Section 186 of the Companies Act, 2013 (as may be amended from time to time), whichever is higher.

The Board recommends the resolution as set out in Item No. 6 of the accompanying Notice for the approval of the shareholders as special resolution by way of postal ballot.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution(s) except to the extent of their shareholding in the Company, if any.

The Board of Directors had, in its meeting held on 14th November, 2016 considered and approved these proposals, subject to the approval of Shareholders through Postal Ballot process (including E-voting).

These explanatory statements may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of Board of Directors

PARU M. JAYKRISHNA
Chairperson and Managing Director
DIN: 00671721

Place : Indrad, Mehsana
Date : November 14, 2016

AksharChem**AKSHARCHEM (INDIA) LIMITED**

CIN: L24110GJ1989PLC012441

Registered Office: 166/169, Village Indrad, Kadi-Kalol Road, Dist.: Mehsana - 382 715

Tel: (02764) 233007 to 10 Fax: (02764) 233550 Website: www.aksharchemindia.com e-mail ID: cs@aksharchemindia.com

POSTAL BALLOT FORM**[To be returned to Scrutinizer appointed by the Company]**

Postal Ballot No. _____

No.	Particulars	Details of Member[s]
1.	Name and Registered Address of the sole / first named Member	
2.	Name(s) of the Joint Member(s), if any	
3.	Registered Folio No. / DP ID No./Client ID No.*: *(applicable to shareholders holding shares in dematerialized form)	
4.	No. of shares held	
5.	I / We hereby exercise my / our vote in respect of the Ordinary/Special Resolution(s) to be passed through postal ballot for the business stated in the Postal Ballot Notice by sending my / our assent or dissent to the said Ordinary/Special Resolution(s) by placing the tick (✓) mark in the appropriate box below.	

Item No.	Description	No. of shares held by me/us	I / We assent [agree] to the Resolution [FOR]	I / We dissent to the Resolution [AGAINST]
1.	Ordinary Resolution for increase in Authorised Share Capital			
2.	Special Resolution for amendment in Memorandum of Association			
3.	Special Resolution for issuance of Equity Shares including Convertible Bonds/ Debentures/ Commercial Papers through Qualified Institutional Placement (QIP) and / or Depository Receipts and/ or any other modes for an amount not exceeding Rs. 200 Crores			
4.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 authorising the Board of Directors for creation of Charge/ Hypothecation/ Mortgage on movable and immovable properties of the Company for securing the borrowing of Company upto Rs. 500 Crores			
5.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 to give borrowing powers to the board of directors of the company upto Rs. 500 Crores			
6.	Special Resolution under Section 186 of the Companies Act, 2013 authorising the Board of Directors to invest or to provide loans and advance or give guarantees / securities.			

Place : _____

Date : _____

Signature of the Member _____

ELECTRONIC VOTING PARTICULARSFor those opting to vote through electronic means, instead of voting by the above postal ballot facility is available at the web link: <http://evoting.nsdl.com>. Particulars for electronic voting are as under:

EVEN (E Voting Even Number)	USER ID	PASSWORD / PIN
105808		
Commencements of e-voting		End of e-voting
December 5, 2016 9.00 a.m.		January 3, 2017 - 5.00 p.m.

Notes:

- Last date of receipt of Postal Ballot by the Scrutinizer is **January 3, 2017** before 5.00 p.m
- Read the instructions carefully printed overleaf before exercising your vote through this Form or e-voting.
- If you wish to exercise your vote by e-voting, there is no need to use this form. E-voting is optional. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice.
- The facility for voting through electronic means will be disabled for voting by NSDL upon expiry of the aforesaid voting period.

INSTRUTIONS

- This Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
- For detailed instruction on e-voting, please refer to the notes appended to the Notice of Postal Ballot

PROCESS AND MANNER FOR VOTING BY POSTAL BALLOT FORM

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self - addressed business reply envelope. Postage will be borne by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or sent by courier or sent by courier or registered / speed post at the expense of the Member will also be accepted.
2. This Postal Ballot Form should be completed and signed by the Member (as per specimen signature registered with the Company / RTA in respect of shares held in physical form or furnished by Depository Participants in respect of shares held in dematerialized form). In case of joint holding, this Form must be completed and signed by the first named Member and in his/her absence, by the next named Member.
3. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/authorization giving requisite authority to the person voting on the Postal Ballot Form, together with the duly attested specimen signature(s) of the authorized signatories.
4. There will be only one Postal Ballot Form for every Registered Folio No. /Client ID No. / DP ID No. irrespective of the number of joint members. The right of voting by postal ballot shall not be exercised by a proxy.
5. The Votes should be cast either in favour of or against by putting (✓) tick mark in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both column will render the form invalid.
6. Incomplete, unsigned or incorrect Postal Ballot Form will be rejected. The Scrutinizers decision on the validity of the Postal Ballot form will be final and binding.
7. A member need not use all his/her votes nor cast all the votes in the same way. The voting rights of the Members shall be in the proportion to their shares in the total paid-up equity share capital of the Company as on November 25, 2016.
8. The Postal Ballot Form duly completed and signed should be forwarded to the Scrutinizer appointed by the Company so as to reach the Scrutinizer not later than the close of working hours on or before Tuesday, January 3, 2017 (i.e. 5.00 p.m.). Postal Ballot Forms received after this date will be strictly treated as if the reply from such member(s) has not been received.
9. A member can apply for duplicate Postal Ballot Form through an email at cs@aksharchemindia.com, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on or before January 3, 2017 (i.e. 5.00p.m.).
10. Members are requested not to send any other paper along with the Postal Ballot Form other than as required in the enclosed self-addressed postage prepaid envelope. If any extraneous paper is found, the same will be destroyed by the Scrutinizer.
11. The members who have received Postal Ballot Notice by e-mail and wish to vote through physical Postal Ballot Form can download the Postal Ballot Form from the weblink - www.evoting.nsdl.com or the website of the Company i.e. www.aksharchemindia.com and take a print thereof. The members can seek a duplicate Postal Ballot Form from the Company at "166/169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana - 382 715, Gujarat or through email cs@aksharchemindia.com.
12. The postal ballot form shall be considered invalid on any of the following grounds:
 - a. It has not been signed by or on behalf of the Member;
 - b. Signature on the form doesn't match the specimen signature with the Company;
 - c. It is not possible to determined without any doubt the assent or dissent of the member;
 - d. Neither assent nor dissent is mentioned.
 - e. Any competent authority has given directions in writing to the Company to freeze the voting rights of the member.
 - f. The envelope containing the Postal Ballot Form is received after the last date prescribed i.e. January 3, 2017 (upto 5.00 pm);
 - g. The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
 - h. The postal ballot form is torn, defaced or mutilated in such a manner that the signature of the member could not be verified or it is difficult for the scrutinizer to identify the member or the number of votes cast or to ascertain whether the votes are for "Assent" or "Dissent", or one or more of these grounds;
 - i. The member has made any amendment to the Resolution or imposed any condition while exercising his/her vote.
13. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.