

AI CHAMPDANY INDUSTRIES LIMITED

Regd. Office: 25, Princep Street, Kolkata- 700 072

Dear Shareholders,

NOTICE OF POSTAL BALLOT

(Pursuant to Section 192A (2) of the Companies Act, 1956)

Notice is hereby given to the shareholders pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the Company is seeking consent of its shareholders to the enclosed Special Resolution proposed to be passed by way of Postal Ballot:

Special Business

Item No. 1

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

“RESOLVED THAT pursuant to Section 180 (1)(a) of Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 1956, Companies Act, 2013, as the case may be, and the Memorandum and Articles of Association of the Company and subject to such approvals and permissions, as may be required from any governmental authority, regulatory authority, banks and/or financial institutions, secured lenders etc., the consent of the Company be and is hereby accorded, including confirmation of actions taken hitherto, to the Board of Directors of the Company (the **“Board”**, which term shall be deemed to include any duly constituted committee thereof) to sell, assign, transfer, convey or otherwise dispose a unit of the Company situated at Jagatdal, District 24 Parganas North, West Bengal, (commonly known as Anglo India Jute Mill, Middle Mill) together with all moveable effects and things situated thereat, and the rights contained therein, as a running unit on an as is where is basis, by way of slump sale (as defined under section 2(42C) of the Income Tax Act, 1961) to any suitable party(ies), at such consideration as may be decided by the Board and on such terms and conditions and with effect from such date and in such manner as the Board may think fit and proper.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby, authorized with power to finalize the terms and conditions of the sale of the above said undertaking as well as the methods or modes for transfer as they may deem fit and authorize any officer, director or person associated with the Company to sign and execute all such papers, agreements and documents including memorandums, deeds of assignment/transfer/conveyance and any other documents with such modifications as may be required from time to time, and to do all such acts, deeds, matters and things and to give such directions as may be required or deemed necessary or as may be desirable or expedient for the purposes of giving effect to the transaction and fulfilling any or all conditions for and on behalf of the Company including, without limitation, making requisite filings and representations to any applicable Registrar of Companies and any other regulatory/ statutory/governmental bodies, as required, giving customary representations and warranties, together with such indemnities as may be deemed necessary and/or expedient, in their discretion and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard for completion of the transaction as aforesaid in the best interest of the Company.”

By order of the Board of Directors
For AI Champdany Industries Limited

sd/-

Surajit Sen
Company Secretary

Place: Kolkata

Date: 25.01.2014

NOTES

1. An explanatory statement pertaining to the aforesaid resolution, setting out all material facts and reasons for which the resolution is being proposed, is also annexed herewith.
2. The proposed resolution and the explanatory statement hereto, along with Postal Ballot Form and postage prepaid self-addressed envelope, are being sent to all the equity shareholders whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on 25.01.2014 and to the holders of 2% Cumulative Preference Shares who are entitled to vote pursuant to Section 87 of the Companies Act, 1956, for their due consideration. The voting rights of such preference shareholders shall be in the same proportion as the capital paid-up in respect of the preference share bears to the total paid-up equity capital of the Company.
3. Shareholders are requested to note that the voting on the resolutions as contained in this notice will be made through Postal Ballot only and the Company has not appointed any agency for electronic voting in this regard.
4. The Board has appointed Mr. B K Gupta, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
5. Shareholders are requested to carefully read the instructions printed in the Postal Ballot Form and return the same (no other form or photocopy thereof is permitted) duly completed, in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer at the address given on the self-addressed envelope, on or before **10.03.2014**, before the close of working hours (6.30 P.M.). Any Postal Ballot Form received after 30 (thirty) days of issuance of this notice shall be treated as if the reply from the shareholders has not been received.
6. The Scrutinizer upon completion of the scrutiny of Postal Ballot in a fair and transparent manner will submit his report addressed to the Chairman or in his absence to any Director/Secretary or any other officer authorized by the Chairman in this behalf.
7. The results of the Postal Ballot will be announced by the Chairman or in his absence by a Director or the Secretary or such other authorized officer of the Company on 14.03.2014 at 4.00 P.M., at the Registered Office of the Company situated at 25, Princep Street, Kolkata- 700 072. The results of the Postal Ballot will also be displayed at the said address, communicated to the Stock Exchanges where the Company's shares are listed, hosted on the Company's website, if any, and published in newspapers.
8. In the event of the draft resolution being assented to by requisite majority of shareholders by means of Postal Ballot, the date of declaration of result shall be deemed to be the date of passing of the said resolution.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The Company proposes to dispose a unit of the Company situated at Jagatdal, District 24 Parganas North, West Bengal, (commonly known as Anglo India Jute Mill, Middle Mill), as a running unit on an as is where is basis by way of a slump sale (as defined Under Section 2(42C) of the Income Tax Act, 1961). The Unit mainly produces conventional goods and its production in FY' 2013 was 21234 MT. The overall control of the remaining units will continue to remain with the Company. The proposed restructuring is expected to enhance the financial strength, better capacity utilisation of other units apart from rationalisation of operations currently being undertaken by the Company with focus on production of value added items by gradually phasing out conventional products.

Section 180(1)(a) of the Companies Act, 2013 *inter alia* provides that the Board of Directors of a company shall not, except with the consent of the shareholders of the company by a special resolution, which consent shall be obtained, in case of a listed company by means of a Postal Ballot as provided in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules 2011, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company, or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. Accordingly, consent of the shareholders of the Company is being sought.

Notice of the proposed Special Resolution is being sent to all the equity shareholders whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on 25.01.2014 and to the holders of 2% Cumulative Preference Shares who are entitled to vote pursuant to Section 87 of the Companies Act, 1956, for their due consideration and approval by way of Postal Ballot. The result of the Postal Ballot will be announced by the Chairman/Director/any other person so authorized by the Chairman/ Director.

The Board recommends the passing of the aforesaid Resolution for the disposal of the Company's undertaking as contained in the Notice of Postal Ballot.

The Directors, manager and Key Managerial Personnel of the Company, or their relatives may be deemed to be concerned or interested in the resolution set out in the Notice of Postal Ballot to the extent of shares held by them in the Company.

By and on behalf of the Board
For AI Champdany Industries Limited
sd./-
Surajit Sen
Company Secretary

Place: Kolkata
Date: 25.01.2014

AI CHAMPDANY INDUSTRIES LIMITED

Registered Office : 25, Princep Street, Kolkata- 700 072

POSTAL BALLOT FORM FOR 2% CUMULATIVE PREFERENCE SHAREHOLDERS

Serial No. _____ :

1. Name(s) of shareholder(s)
(including joint holders, if any)

2. Registered address of the sole /
first named shareholder _____ :

3. Registered Folio No. _____ :
DP-ID No. / Client ID No.*
*(Applicable to investors holding
shares in dematerialized form)

4. Number of 2% Cumulative
preference of shares held _____ :

I / We hereby exercise my / our vote in respect of the following resolution to be passed through Postal Ballot for the business stated in the notice of the Company by sending my / our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below :

Serial No.	Description	No. of shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1.	Special Resolution under Section 180(1) (a) of the Companies Act., 2013 authorizing the Board of Directors to sell / transfer or otherwise dispose of by way of slump sale, a unit of the Company situated at Jagatdal, District 24 Parganas North, West Bengal, (commonly known as Anglo India Jute Mill, Middle Mill) as a running unit on an as is where is basis.			

Place :

Date :

Signature of the Shareholder

Note : Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts is annexed to the Notice sent with this Postal Ballot Form.
2. Pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the assent or dissent of the shareholders in respect of the Resolution contained in the Postal Ballot Notice dated 25.01.2014 is being determined through Postal Ballot.
3. The Board of Directors has appointed Mr. B K Gupta, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Form and self-addressed business reply envelopes are enclosed for use of shareholders and no postage is required to be paid by the shareholder. Envelope containing Postal Ballots, if sent by courier/registered post at the expense of the shareholder will also be accepted. Please note that, no provision has been made for voting by electronic mode and the voting is to be done by Postal Ballot alone.
4. A tick (✓) mark should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be. Incomplete or unsigned Postal Ballots shall be rejected. Tick in both the boxes would render this form invalid. Please note that (X) mark or any other mark other than (✓) mark in the box signifying assent or dissent shall be deemed as if no mark has been placed and the box is left blank.
5. This form (no other form or photocopy thereof is permitted) duly completed with assent (for) or dissent (against), must be sent so as to reach the Scrutinizer at the address given on the self-addressed envelope, on or before 10.03.2014, before the close of working hours (6.30 P.M.), to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the shareholder. Accordingly, shareholders are requested to send duly completed forms well before the aforesaid date providing sufficient time for postal transit.
6. The Scrutinizer will submit his report to the Chairman / Vice Chairman or in his absence to any Director/Secretary or any other officer authorized by the Chairman in this behalf after completion of scrutiny and the results of the Postal Ballot will be announced on 14.03.2014 at 4.00 P.M. at the Registered Office of the Company at 25, Princep Street, Kolkata- 700072. This date will be taken to be the date of passing of the Special Resolution.
7. The result of the Postal Ballot will be published in newspapers (one English and one vernacular) besides being communicated to the stock exchanges on which the shares of the Company are listed. The results of the Postal Ballot will also be displayed at the said Registered Office address and hosted on the Company's website, if any, and published in newspapers.
8. The form should be completed and signed by the shareholder as per specimen signature, if any, registered with the Company. In case of joint holdings, this form should be completed and signed by the first named shareholder, and in his absence, by the next named joint holder. In case the form is signed by persons other than individual shareholder, this form should be signed by an authorized signatory whose signature is already registered with the Company/Depository Participant.
9. In case of shares held by companies, trusts, societies etc., the duly completed form should also be accompanied by a certified copy of the board resolution/other authorisation together with the attested specimen signatures of the duly authorized person exercising the voting right by Postal Ballot.
10. If any extraneous paper is found in such envelope the same would not be considered by the Scrutinizer and would be destroyed.
11. There will be one form for every Folio/Client ID irrespective of the number of joint holders.
12. The Postal Ballot shall not be exercised by a proxy.
13. Unsigned forms will be rejected.
14. Votes will be considered invalid on the following grounds:
 - a. if the shareholder's signature does not tally;
 - b. if the shareholder has marked both in favour and against;
 - c. if the ballot paper received is torn or defaced or mutilated to an extent that is difficult for the Scrutinizer to identify either the shareholder or the number of votes or as to whether the votes are in favour or against or if the signature couldn't be checked or on one or more of the above grounds;
 - d. on such other grounds which in the opinion of the Scrutinizer makes the vote invalid.
15. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.