



CHETTINAD CEMENT CORPORATION LIMITED

Corporate Identification Number (CIN) : U93090TN1962PLC004947
Registered Office : Rani Seethai Hall Building, 603, Anna Salai, Chennai, Tamil Nadu - 600 006.
Tel No. 044-28292727 / 42149955, Fax No. 044-28291558
Website : www.chettinad.com; Email : shares@chettinadcement.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Members,

NOTICE IS HEREBY GIVEN, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") read with the Companies (Management and Administration) Rules, 2014 (the "**Rules**") (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable laws and regulations, that the resolutions appended are proposed to be passed as special /ordinary resolution(s), as the case may be, by the shareholders of Chettinad Cement Corporation Limited (the "**Company**") by way of postal ballot or electronic voting. An Explanatory statement, pursuant to Section 102 of the Act, setting out the material facts pertaining to the aforesaid resolution(s) is annexed hereto for your consideration.

The Postal Ballot form ("Form") for voting on the resolution (s) is attached herewith. The Board of Directors of the Company has appointed Mr. I B Hari Krishna, Practising Company Secretary as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, and return the same duly filled and executed in original by the self-addressed postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of business hours i.e. 5:00 P.M. IST on Monday, March 28, 2016 ("**Closing Date**"). Please note that any postal ballot form(s) received after the Closing Date and time will be treated as if no reply has been received from the member.

In compliance with the provisions of Section 110 of the Act read with the Rules, e-voting facility is being provided to all members which would enable them to cast their votes electronically. The Company has engaged the services of National Securities Depository Limited (NSDL) for providing the e-voting facility through its platform. The process and manner for e-voting is provided in this Notice. E-voting will be open till 5.00 P.M. IST on the Closing Date. In case a member votes through e-voting facility, he/she is not required to send the physical Form. In case a member votes through e-voting facility as well as sends his/her vote through physical Form, the vote cast through e-voting shall be considered and the voting through physical Form shall not be considered by the Scrutinizer.

After completion of scrutiny, the Scrutinizer will submit his report to the Chairman. The results of Postal Ballot shall be declared by the Chairman of the Company at around 11.00 A.M. IST on Tuesday, March 29, 2016 at the Registered Office of the Company situated at Rani Seethai Hall Building, 603, Anna Salai, Chennai, Tamil Nadu- 600006 and the resolution will be taken as passed effectively on the date of declaration of the results. The results of the Postal Ballot along with the Scrutinizer's Report will be displayed on the Company's website viz. www.chettinad.com and on the website of NSDL viz. www.nsdl.co.in

A brief report on the e-voting or postal ballot conducted shall be recorded in the Minutes Book and signed by the Chairman within thirty days from the date of passing of Resolution by e-voting or postal ballot.

RESOLUTIONS PUT THROUGH POSTAL BALLOT

1. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 14 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the draft Articles of Association as proposed for approval by the shareholders of the Company be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. M A M R Muthiah, Managing Director Mr. L Muthukrishnan, Director and Mr. S Hariharan, Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this resolution."

2. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 13, Section 61 and other applicable provisions if any, of the Companies Act, 2013 and the rules, orders and notifications issued thereunder (including any statutory modification or re-enactment thereof, for the time being in force), read with the Articles of Association of the Company, and subject to the approval of the resolution for consolidation of shares, the first line in the existing Clause V of the Memorandum of Association of the Company be deleted and substituted by the following.

“The Share Capital of the Company is ₹. 500,00,00,000/- (Rupees Five Hundred Crore only) divided into 25,000 (Twenty Five Thousand) shares of ₹. 2,00,000/- (Rupees Two Lakhs only) each.”

RESOLVED FURTHER THAT the amendment to the Memorandum of Association as aforesaid shall take effect upon, and simultaneous with, consolidation of the issued, subscribed and paid-up equity shares in the share capital of the Company by way of increase in the nominal value of each equity share from ₹.10/- (Rupees Ten only) per share to ₹. 2,00,000/- (Rupees Two Lakhs only) per share.

RESOLVED FURTHER THAT Mr. M A M R Muthiah, Managing Director Mr. L Muthukrishnan, Director and Mr. S Hariharan, Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this resolution.”

3. CONSOLIDATION OF SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 61(1)(b) and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with the Articles of Association of the Company, and any other approval, consent, permission, sanction etc. as may be required from any government or other authority, consent of the shareholders be and is hereby accorded for consolidation of the entire issued, subscribed and paid-up equity shares in the share capital of the Company by increasing the nominal value of the equity shares from ₹. 10/- (Rupees Ten only) each to ₹. 2,00,000/- (Rupees Two Lakhs only) each so that every 20,000 (Twenty Thousand) equity shares with nominal value of ₹. 10/- (Rupees Ten only) each held by a member are consolidated and re-designated into 1 (one) equity share with nominal value of ₹. 2,00,000/- (Rupees Two Lakhs only) each.

RESOLVED FURTHER THAT:

- (A) no member shall be entitled to a fraction of a share as a result of implementation of this resolution for consolidation of shares, and the Company shall not issue any certificate or coupon in respect of such fractional shares; and
- (B) all fractional shares resulting from consolidation shall be aggregated into whole shares and held by trustee(s) appointed by the Board (“Trustees”) for the benefit of members, and share certificates shall be issued in the name of the Trustees. Such Trustees shall as soon as possible dispose the said whole shares to such person(s) as they deem fit at their sole discretion, and the net sale proceeds from sale of such shares after adjusting the cost and expenses in respect thereof shall be distributed proportionately amongst the members who would otherwise be entitled to such fractional shares; and
- (C) the Trustees shall sell the shares issued to them at a price of ₹. 1,44,00,000 (Rupees One Crore forty four lakhs only) per consolidated equity share of ₹. 2,00,000/- (Rupees Two Lakhs only) each which is equal to ₹. 720 (Rupees Seven Hundred and Twenty only) each per equity share of ₹. 10/- each or at such higher price, if required, by any law in force.

RESOLVED FURTHER THAT pursuant to Section 62(1)(c), Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) along with the rules thereunder, and the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any Committee thereof), to offer, issue and allot upto 21002 (Twenty One Thousand and Two) equity shares of nominal value ₹.10/- each at a price of ₹. 720/- (Rupees Seven Hundred and Twenty only) per share to the Trustee(s) and on such other terms and conditions and in such manner as the Board may think fit, prior to the consolidation of shares on Record Date defined below, to ensure that the total issued, subscribed and paid up Equity share capital of the Company after the consolidation of shares as aforesaid is a round figure and does not comprise of any fraction.

RESOLVED FURTHER THAT the consolidation of shares be determined on the basis of those shareholders whose names appear in the Register of Members as on Wednesday, March 30, 2016 or such other date as may be fixed by the Board of Directors of the Company in this regard (hereinafter referred to as the “Record Date”).

RESOLVED FURTHER THAT:

- (A) in case of shares held in physical form, the existing share certificates issued to the holders of the equity shares of the Company be treated as cancelled from the Record Date, and fresh share certificates be issued in respect of the consolidated equity shares of the Company to such members in accordance with the provisions of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014.
- (B) In case of shares held in dematerialised form, the respective beneficiary accounts of the members who hold the shares of the Company in dematerialized form be credited with consolidated equity shares in lieu of their existing shares.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters as they may in their absolute discretion deem necessary, expedient or desirable for completing the consolidation of shares of the Company and giving effect to the foregoing resolutions, including without limitation (a) consolidation of all fractional entitlements of shareholders of the Company and dealing with the same in accordance with the Articles of Association of the Company and taking all other actions to facilitate the process of consolidation, including the issue and transfer of new shares in lieu of fractional entitlements of members; (b) settlement of any questions, difficulties or doubts with respect to the foregoing resolution and / or delegation of any of their powers to such person, committee etc. as may be authorized by the Board.”

By order of the Board of Directors

S Hariharan
Company Secretary

Place : Chennai

Date : 24.02.2016

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposal is annexed herewith.
2. The Notice is being sent to all the members, whose names appear in the Register of Members/ Records of Depositories as on close of business hours on Friday, February 19, 2016. In accordance with the provisions of Section 110 of the Companies Act 2013 read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice along with the Postal Ballot Form is being sent by e-mail to those members who have registered their e-mail address with the Registrar and Share Transfer Agent (in respect of shares held in physical form) or with their Depository Participants (in respect of shares held in electronic form) and made available to the Company by the Depositories. All the Members will receive this Postal Ballot Notice along with the Postal Ballot Form through registered post or such other mode as permitted under law.
3. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members as on Friday, the 19th February 2016. Only members as on the said date shall be entitled to vote on the proposed resolutions by postal ballot. A person who is not a member as on the said date should treat this notice as for information purposes only.
4. Members who have received Postal Ballot Notice by email and wish to vote through physical form, may write to the Company indicating their option to receive the physical Form from the Company or alternatively download the Form from the link: www.nsdl.co.in or from www.chettinad.com
5. Members are requested to read the instructions printed on the Postal Ballot Notice and the Form carefully. Members are requested to comply with the instructions for voting as specified in the instructions on the Postal ballot Notice and the form. Any vote cast by a member in contravention of the instructions may be ruled to be invalid by the Scrutinizer.
6. The Company has also provided e-voting facility to all its members to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its members. For instructions on e-voting facility, please refer to the instructions below.
7. Members can opt for only one mode of voting i.e. either by posting the Postal Ballot Form or through e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot forms will be ignored, and treated as invalid.
8. The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.
9. All documents referred to in the resolutions to be considered by Postal Ballot are open for inspection at the registered office of the Company on all working days between 2.00 PM to 5.00 PM upto the Closing Date of the postal ballot. The draft of new Articles of Association of the Company, which is proposed to substitute the existing Articles of Association of the Company has also been uploaded on the website of the Company at www.chettinad.com for inspection by all stakeholders.

Instructions for E-voting

Members desiring to cast their votes electronically are requested to adhere to the following instructions which forms part of the Notice:

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
27.2.2016 (9.00 A.M IST)	28.3.2016 (5.00 P.M IST)

Voting through electronic means

- I. Instructions for e-voting by Members who receive an Email from NSDL (for Members whose email id is registered with the Registrar and Share Transfer Agent / Depository Participants)
 - a) Open Email and open PDF file viz., "CCCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - c) Click on "Shareholder" – "Login".
 - d) Key in User ID and password as initial password noted in step (a) above. Click "Login".
 - e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits or characters or a combination thereof. Please take note of the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - f) Home page of 'e-Voting' opens. Click on "e-Voting: Active Voting Cycles".
 - g) Select 'EVEN' of Chettinad Cement Corporation Limited. E Voting event number , user id and password is provided in the Postal Ballot Form.
 - h) Now, you are ready for "e-Voting" as "Cast Vote" page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j) The Board of Directors have appointed Sri. I B Harikrishna of M/s IBH & Co. Practising Company Secretaries as the Scrutinizer for E-voting.
 - k) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (hari@akshayacs.com) through Email with a copy marked to evoting@nsdl.co.in.
- II. Instructions for e-voting by members who receive physical copy of the Notice of Postal Ballot
 - a) Initial password is provided at the bottom of the Postal Ballot Form.
 - b) Please follow all steps from Sl. No. 1(b) to (k) above, to cast your vote
- III. OTHER INSTRUCTIONS
 - 1) The date of commencement of voting by electronic mode shall be February 27, 2016 from 9.00 A.M (IST) The voting period ends on March 28, 2016 at 5.00 P.M (IST). The e-voting module will be disabled for voting thereafter by NSDL.
 - 2) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "downloads" section of www.evoting.nsdl.com or toll- free number 1800-222-990.
 - 3) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - 4) 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)
 - 5) A member can opt for only one mode of voting i.e. either through postal ballot or remote e-voting
 - 6) The scrutiner shall immediately after the conclusion of the voting period make a consolidated scrutiner's report on 29.03.2016 of the total votes cast in favour or against, if any, to the chairman of the company or person authorised by him in writing who shall countersign the same.
 - 7) The results shall be declared on Tuesday the 29th March 2016. The results declared along with the scrutiner's report shall be placed on the company's website www.chettinad.com.

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

ITEM NO.1

The existing Articles of Association ("**AoA**") are based on the provisions of the Companies Act, 1956, due to which a number of regulations in the existing AoA have either been rendered redundant or are in conflict with the Companies Act, 2013 ("**2013 Act**"). To illustrate, concepts such as share warrants, managing agents etc. are no longer recognized under the Companies Act, 2013 but they continue to find mention in the existing AoA of the Company. Furthermore, various regulations in the existing AoA of the Company make reference to provisions of the 1956 Act which have been repealed with the enactment of the 2013 Act.

Substantial provisions of the 2013 Act and the Rules thereunder have been brought into force with effect from April 1, 2014. Therefore, in the interests of shareholders, and expediency in conduct of business of the Company, it is considered desirable to substitute the existing set of AoA of the Company with the revised set of Articles of Association, draft of which is available for inspection by the members as provided hereinabove. Salient features of the revised Articles of Association are enumerated hereunder:

- (a) Terms / provisions which have been defined or provided for in the 2013 Act, or are repugnant to the provisions of the 2013 Act, have been deleted. These include without limitation provisions relating to issue of share warrants under the 1956 Act, appointment and powers of managing agents etc.;
- (b) Regulations have been incorporated in appropriate places, to enable the Company to carry out specified acts, for which specific provision is required in the AoA of the Company by the 2013 Act or Rules thereunder. These include without limitation provisions relating to issue and offer of shares, issue of employees' stock option etc. It is clarified that the Company will in any case separately approach the shareholders for their approval by way of ordinary / special resolution before carrying out any such activities which require approval of shareholders under the 2013 Act.
- (c) Existing articles have been streamlined and aligned with the provisions of the 2013 Act;
- (d) Regulations have been incorporated in appropriate places to clarify powers of the Company to carry out any acts which are incidental or ancillary to the powers of the Company to carry out any action under the 2013 Act. These include without limitation treatment of fractional entitlements in case of any corporate action, fixation of remuneration of directors etc.
- (e) The 2013 Act has made it optional for companies to have a common seal. Accordingly, provisions relating to common seal in the AoA have been deleted.

The alteration of the Articles of Association of the Company requires the approval of the members. The Board recommends the passing of the resolution as a Special Resolution.

None of the Directors, key managerial personnel or their relatives are in any way concerned or interested in the passing of this resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO.2

As on date, the authorized share capital of the Company is ₹. 5,000,000,000/- (Rupees Five Hundred Crore only) divided into 50,00,00,000 (Fifty Crore) shares of nominal value of ₹. 10/- (Rupees Ten only) each.

The Company proposes to consolidate the issued, subscribed and paid-up equity shares in the share capital of the Company by increasing the nominal value of the equity shares from ₹. 10/- (Rupees Ten only) each to ₹. 2,00,000/- (Rupees Two Lakhs only) each so that every 20,000 (Twenty Thousand) equity shares with nominal value of ₹. 10/- (Rupees Ten only) each held by a member are consolidated and re-designated into 1 (one) equity share with nominal value of ₹. 2,00,000/- (Rupees Two Lakhs only) each, in the manner specified in resolution under Item No. 3 above, read with Explanatory Statement thereto hereunder. This would necessitate amendment of Clause V of Memorandum of Association of the Company, which specifies the authorized share capital of the Company.

The amendment of the Memorandum of Association of the Company requires the approval of the members. The Board recommends the passing of the resolution as an Ordinary Resolution.

None of the Directors, key managerial personnel or their relatives are in any way concerned or interested in the passing of this resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO.3

General

Chettinad Cement Corporation Limited ("**Company**") currently has 2903 shareholders out of which mere 1.61% of the shareholding is held by 2886 shareholders, constituting 99.41% of the total shareholder base.

Most of these shareholders had acquired shares in Chettinad Cement Corporation Limited ("**Company**") while it was listed on National Stock Exchange of India Limited ("**NSE**"), Madras Stock Exchange Limited ("**MSE**") and under Permitted security in Stock Exchange, Mumbai. The Company has been delisted from all recognized stock exchanges since June 7, 2013.

As the Company's shares are not traded on any stock exchange, there is no ready avenue for small shareholders to exit from their investment in the shares of the Company. The shareholder base of the Company is spread across the country, and the unlisted shares of the Company are not as easily marketable as listed shares. The Company has, from time to time, received requests from some of such shareholders, requesting the Company to provide them with a viable exit option.

Furthermore, it has become very cumbersome and costly for the Company to service such large number of shareholders. Due to the large number of shareholders, the compliance and administrative activities of the Company have also increased manifold and every corporate action takes its own time to implement due to the procedural requirements which are otherwise mandated for companies with a much larger shareholder base. In view of this and in the best interests of the small public shareholders of the Company, it is being proposed to re-organise the Company's share capital by way of a share consolidation by increasing the nominal value of each share of the Company from ₹. 10/- to ₹. 2,00,000/- per share.

Consolidation of shares of the Company is expected to be beneficial for all parties involved. On the one hand, the small public shareholders of the Company would get an exit opportunity for shares which otherwise do not have a ready market; while the Company will benefit from significant savings in costs, reduction in administrative and procedural work and legal compliances, and general efficiency in corporate decision making.

In light of the above, it is proposed to consolidate the entire issued, subscribed and paid-up equity shares in the share capital of the Company by increasing the nominal value of the equity shares from ₹. 10/- (Rupees Ten only) per share to ₹. 2,00,000/- (Rupees Two Lakhs only) per share so that every 20,000 (Twenty Thousand) equity shares with nominal value of ₹. 10/- (Rupees Ten only) each held by a member are consolidated and re-designated into 1 (one) equity share with nominal value of ₹. 2,00,000/- (Rupees Two Lakhs only) each with effect from the Record Date determined for this purpose. In this connection, Clause V of the Memorandum of Association of the Company will also have to be suitably amended to reflect the revised consolidated share capital of the Company.

Fractional entitlements

Any fractions arising from such consolidation will be aggregated into whole shares and the number of whole shares so arising will be held by Trustees, who would be responsible for selling them and distributing the net sale proceeds amongst the shareholders in proportion of their fractional entitlements. Chettinad Logistics Private Limited, a company incorporated under the Companies Act, 1956, has presently been appointed as Trustee for purposes of consolidation of shares of the Company and matters incidental thereto.

On the basis of the valuation report issued by Vivro Financial Services Private Limited it is proposed to fix the value of each pre-consolidated share at ₹. 720 (Rupees Seven Hundred Twenty Only) ("**Sale Price**") for the purpose of payment of consideration to members for their fractional entitlements. The Sale Price so fixed is more than the value of the Company's Equity share as arrived at by Vivro Financial Services Private Limited in the interests of the shareholders of the Company. It would be the responsibility of the Trustee not to sell the shares held by them at a price lower than the Sale Price for payment of consideration to members.

The Board of Directors believes that the Sale Price is in excess of the fair value of the shares and would constitute a fair exit opportunity for shareholders entitled to fractional shares of the Company.

Token preferential issue of shares to ensure that total capital post-consolidation is a round figure

The total paid up share capital of the Company as on date comprises of 3,81,98,998 (Three Crore Eighty One Lakhs Ninety Eight Thousand Nine Hundred and Ninety Eight) equity shares of nominal value ₹. 10/- (Rupees Ten only) each. Upon consolidation of every 20,000 (Twenty Thousand) shares into one equity share, the Company would be left with balance 18,998 equity shares which cannot be consolidated into whole shares. To avoid this situation, the Company proposes to make a token issue of an additional 21002 (Twenty One Thousand and Two) equity shares of nominal value ₹. 10/- (Rupees Ten only) each amounting to 0.05% of the total post-issue share capital of the Company at a price of ₹. 720/- (Rupees Seven Hundred Twenty only) per share to the Trustees to ensure that the total issued, subscribed and paid up equity share capital of the Company after the consolidation of shares as aforesaid is a round figure and does not comprise of any fraction. The share price aforesaid is based on valuation report issued by M/s C. Muthukumar & Co., Chartered Accountants and registered valuers, in accordance with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014.

Upon issue of the new shares as aforesaid, the total pre-consolidated share capital of the Company would comprise of 3,82,20,000 (Three Crore Eighty Two Lakhs Twenty Thousand) equity shares, which upon consolidation would comprise of 1911 (One Thousand Nine Hundred and Eleven) equity shares as of the Record Date. Upon consolidation, the fractional entitlements of Trustee arising out of preferential issue will be aggregated with fractional entitlements of other shareholders. Any whole shares arising from aggregation of fractional entitlements [including any whole share(s) arising from preferential issue to the Trustee as above] will be disposed by the Trustee to any person(s) as it deems fit at its sole discretion, and the consideration so

received will be used to pay the members of the Company having interest in the fractional shares arising out of consolidation. The Trustee shall be entitled to retain from and out of the proceeds of the sale of said whole shares, proportionate amount corresponding to the value of the shares allotted to it as above. The disclosures required to be made in accordance with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 are enclosed as Annexure to this Explanatory Note.

In case of non-resident shareholders, the payment of consideration in lieu of fractional entitlements would be subject to the provisions of Foreign Exchange Management Act, 1999 and any approvals from the Reserve Bank of India etc as may be required. The Trustees will make requisite payment of consideration to shareholders in accordance with applicable laws, upon sale of the consolidated shares held by it.

As per the provisions of Section 195(1) of the Income Tax Act, 1961 ("IT Act"), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct applicable tax at source (including applicable surcharge and education cess). Since the consideration payable by the Trustee for the sale of the fraction shares on consolidation in accordance with disposal of such shares would be chargeable to capital gains under Section 45 of the IT Act, therefore the Trustee will deduct tax at source (including cess and surcharge as applicable) at the applicable tax rate on the gross consideration payable to Non-resident shareholders. In case the non-resident shareholders require the Trustee not to deduct tax or to deduct tax at lower rate or on a lower amount, they would require to submit a No Objection Certificate, Tax Clearance Certificate or Certificate of Tax at Lower Rate from the relevant income tax authorities under the Income Tax Act, 1961, indicating the amount of tax to be deducted by the Trustee on or before Wednesday the 30th March 2016. In case the aforesaid certificate(s) is not submitted on or before Wednesday the 30th March 2016, the Trustee will deduct tax at the maximum marginal rate as may be applicable to the non-resident shareholders on the gross consideration payable. Moreover, if the Non Resident Shareholder does not have Permanent Account Number (PAN), tax will be deducted @ 20% or applicable rate as per the normal provision whichever is higher. Surcharge and Education Cess will be added to the tax amount as applicable.

The Board recommends the passing of the above resolution as a Special Resolution.

None of the Directors, key managerial personnel or their relatives are in any way concerned or interested in the passing of this resolution, except to the extent of their shareholding in the Company, if any.

ANNEXURE

Details under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014

1. The object of the issue is to ensure that total issued, subscribed and paid up equity share capital of the Company after the consolidation of shares as aforesaid is a round figure and does not comprise of any fraction.
2. A maximum of 21002 (Twenty One Thousand and Two) equity shares may be issued in accordance with the approval accorded by the shareholders under this resolution.
3. The equity shares are proposed to be issued at a price of ₹. 720/- (Rupees Seven Hundred Twenty only) per share.
4. The price of equity shares have been arrived at on the basis of Valuation Report dated 22.2.2016 prepared by M/s C Muthukumar & Co., Chartered Accountants. The Valuation Report is available for inspection at the Registered office of the company in the manner specified above.
5. The relevant date with reference to which the price has been arrived at is 22.2.2016.
6. The equity shares are proposed to be offered and allotted to the Trustee appointed in connection with consolidation of share capital of the Company.
7. The present issue of shares is being made only to Trustee(s) appointed for the purpose of consolidation of equity shares of the Company. Chettinad Logistics Private Limited ("Chettinad Logistics"), an existing shareholder, has presently been appointed as Trustee(s) for purpose of consolidation of shares. Chettinad Logistics holds around 9.67% (approx.) of the equity shareholding of the Company as on date, and is owned / controlled by the promoters of the Company. No directors, or key managerial personnel, if any, of the Company are being offered any equity shares under this resolution.

Upon consolidation, the fractional entitlements of Trustees arising out of consolidation will be aggregated with fractional entitlements of other shareholders. Any whole shares arising from aggregation of such fractional entitlements, and any whole share(s) arising from preferential issue to Trustee as above will be disposed by the Trustee to any person(s) as it deems fit at its sole discretion. The Trustee may dispose of the said whole shares to any person(s) including any promoters, directors or key managerial personnel or any entities controlled by said parties at their discretion.
8. The preferential allotment of equity shares to the trustees will be completed before the Record Date for consolidation of shares.

9. As specified above, Chettinad Logistics has presently been appointed as Trustee in accordance with the terms of above resolution. Post allotment, the percentage shareholding of the Chettinad Logistics as a Trustee would amount to 0.05% of the post-issue share capital. On a separate note, Chettinad Logistics is an existing member of the Company holding 9.67% (approx.) of the pre-issue share capital. After the said issue, the total shareholding held by Chettinad Logistics (whether comprising of shares held in its own name or as Trustee) would amount to 9.72% (approx.) of the post issue share capital.
10. There would be no change in control of the Company consequent to this preferential offer.
11. No other allotments on preferential basis have been made by the Company in this year.
12. The pre-issue and post-issue shareholding pattern of your Company are as follows:

Sr. No.	Category	Pre- Issue		Post - Issue	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A	Promoters' Holding:				
1	Indian:				
	Individual	15343321	40.17	15343321	40.14
	Bodies Corporate (including 21002 shares issued to Trustee)	21000081	54.97	21021083	55.00
	Sub Total	36343402	95.14	36364404	95.14
2	Foreign Promoters	Nil	Nil	Nil	Nil
	Sub Total (A)	36343402	95.14	36364404	95.14
B	Non-Promoters' Shareholding				
1.	Institutional Investors	1235210	3.23	1235210	3.23
2.	Non-Institutional Investors:				
	Private Corporate Bodies	23935	0.06	23935	0.06
	Directors and Relatives	3000	0.01	3000	0.01
	Indian Public	577406	1.52	577406	1.52
	Others (including NRIs)	16045	0.04	16045	0.04
	Sub Total (B)	1855596	4.86	1855596	4.86
	Grand Total	38198998	100.00	38220000	100