

SCRUTINIZER REPORT FOR POSTAL BALLOT
(For M/s. Chemfab Alkalis Limited)

To,
The Chairman
M/s. Chemfab Alkalis Limited
(CIN: L24297TN1983PLC072409)
Team House, GST Salai
Vandalur
Chennai- 600 048.

Sub: Passing of Resolutions through Postal Ballot for the purpose of approving CAESOS-2015 being the Employees Stock Option Scheme of the Company

The Board of M/s. Chemfab Alkalis Limited (hereinafter **Company**) at its meeting held on 29th October, 2015 had appointed Mr. Krishna Sharan Mishra of M/s. KSM Associates, Company Secretaries as the Scrutinizer for conducting postal ballot in respect of the following special businesses:

- i. Approval of Chemfab Alkalis Employees Stock Option Scheme 2015 (CAESOS-2015) and grant of Employees stock options to the Employees of the Company thereunder.
- ii. Grant of stock options to the Employees of the Holding/Subsidiary/ Associate Company(ies) of the Company under Chemfab Alkalis Employees Stock Option Scheme 2015.
- iii. Grant of stock options to the Employees in excess of 1% of issued equity capital under Chemfab Alkalis Employees Stock Option Scheme 2015.

As per the explanations and information provided by the Company to us, physical Postal Ballot Notices were sent partly by Courier and partly by Registered Post to 5,312 (Five Thousand Three Hundred and Twelve) shareholders. The Company on 4th February, 2016 completed the dispatch of postal ballot forms to such shareholders whose names appeared on the Register of Members/ List of Beneficial Owners as on 29th January 2016. The Shareholders were also given access to the Notice electronically by the URL link http://www.chemfabalkalis.com/postal_ballot_result.pdf.

The Company had also made arrangements with Central Depository Securities Limited (hereinafter **CDSL**) for extending the facility of electronic voting to the shareholders of the Company who may be interested in voting electronically.

The Notices sent contained the detailed instructions to be followed by the shareholders for voting by postal ballot and voting by electronic means.



The Company has released an advertisement in Makkal Kural (Newspaper - Tamil) on 5th February 2016 and in Business Line (Newspaper - English) on 6th February 2016, informing the Shareholders about dispatch of Postal Ballot Notice.

The electronic voting facility was kept open for 30 days, from 9:00 A.M on 5th February 2016 to 5:00 P.M on 5th March 2016. The electronic voting results were unblocked by the undersigned on 5th March 2016 after the closing hours in the presence of two witnesses who have signed hereunder, who are not the employees of the Company.

Postal Ballot Forms received by the Company after 5th March 2016 (5.00 P.M) were not considered for my scrutiny.

The Postal Ballot forms received at M/s. Cameo Corporate Services Limited, the Registrar and Transfer Agents of the Company, in the name of scrutinizer, were opened and then taken up for scrutiny by the undersigned and passed on to M/s. Cameo Corporate Services Limited, the Registrar and Transfer Agents of the Company. Particulars of all the postal ballot forms received from the shareholders have been entered into the register maintained specifically for the purpose. The votes cast through electronic voting were considered as final in cases where shareholders have voted both electronically as well as through Postal ballot.

On scrutiny, I report that out of 5,312 Shareholders, (i) 8 shareholders have casted their vote electronically and (ii) 114 shareholders have voted through Postal Ballot.

Results of electronic voting are based on the data made available to the undersigned by CDSL through their website with a log-in id and password to the Scrutiniser, and results of votes exercised through Postal Ballot are based on data compiled by M/s. Cameo Corporate Services Limited.

The results of the voting are produced hereunder in respect of the matters submitted by the Company to its shareholders for approval as **Special Resolutions** as stated above:

1. Approval of Chemfab Alkalis Employees Stock Option Scheme 2015 (CAESOS-2015) and grant of Employees stock options to the Employees of the Company thereunder

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be

prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this Resolution), approval and consent of the Shareholders of the Company ("Shareholders") be and is hereby accorded respectively to the 'Chemfab Alkalis Employees Stock Option Scheme 2015' (hereinafter referred to as the "CAESOS-2015" or "the Scheme") and to the Board to create, offer and grant from time to time upto 4,00,000 (Four Lakhs) Employees stock options (Options) being not exceeding 4.36% approximately of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent Employees including Directors of the Company [other than Promoter(s) or persons belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company], whether Whole time or otherwise, whether working in India or out of India (hereinafter referred to as an "Employee(s)"), as may be decided solely by the Board under the Scheme, exercisable into not more than 4,00,000 (Four Lakhs) fully paid-up equity shares in the Company in aggregate of the face value of Rs. 5/- (Rupees Five) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done, including appointment of Merchant Banker, are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of the options from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("Additional Shares"), the ceiling as aforesaid of 4,00,000 (Four Lakhs) options and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares or other relevant securities of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the

Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5/- (Rupees Five) per equity share bears to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate CAESOS-2015 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of CAESOS-2015 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to CAESOS-2015.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under CAESOS-2015 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorising or appointing Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of CAESOS-2015 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this Resolution."

The result of the electronic voting together with that of the Postal Ballot is as under:

Manner of Voting	Votes IN FAVOUR	Votes AGAINST	Votes INVALID	ABSTAINED from voting
E-voting	838	600	0	0
Postal Ballot	6895532	352	7207	730
Total	6896370	952	7207	730
Total %	99.986	0.014	-	-

2. **Grant of stock options to the Employees of the Holding/Subsidiary/Associate Company(ies) of the Company under Chemfab Alkalis Employees Stock Option Scheme 2015**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company ("Shareholders") be and is hereby accorded to create, offer and grant from time to time 4,00,000 (Four Lakhs) Employees stock options within the overall ceiling of 4,00,000 (Four Lakhs) equity shares to the permanent Employees including Directors [other than Promoter(s) or persons belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company], whether Whole time or otherwise, whether working in India or out of India of any existing and future Holding / Subsidiary / Associate Company(ies) of the Company whether in or outside India (hereinafter referred to as an "Employee(s)"), as may be decided solely by the Board under the 'Chemfab Alkalis Employees Stock Option Scheme 2015' (hereinafter referred to as "CAESOS-2015" or "the Scheme"), exercisable into not more than 4,00,000 (Four Lakhs) fully paid-up equity shares in the Company in aggregate of face value of Rs. 5/- (Rupees Five) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations:

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done, including appointment of Merchant Banker, are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of the options from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("Additional Shares"), the ceiling as aforesaid of 4,00,000 (Four Lakhs) Options and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5/- (Rupees Five) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate CAESOS-2015 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the CAESOS-2015 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the CAESOS-2015.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to take necessary steps for listing of the equity shares allotted under the CAESOS-2015 on



3. Grant of stock options to the Employees in excess of 1% of issued equity capital under Chemfab Alkalis Employees Stock Option Scheme 2015

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company ("Shareholders") be and is hereby accorded to create, offer and grant from time to time, in a financial year, employees stock options in excess of 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant of such options within the overall ceiling of 4,00,000 (Four Lakhs) equity shares to the permanent Employees of the Company or of the Holding Company or of the Subsidiary Company(ies) or of Associate Company(ies) including Directors [other than Promoter(s) or persons belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company], whether Whole time or otherwise, whether working in India or out of India of any existing and future Holding Company or Subsidiary Company(ies) or Associate Company(ies) whether in or outside India (hereinafter referred to as an "Employee(s)", as may be decided solely by the Board under the 'Chemfab Alkalis Employees Stock Option Scheme 2015' (hereinafter referred to as "CAESOS-2015" or "the Scheme"), exercisable into not more than 4,00,000 (Four Lakhs) fully paid-up equity shares in the Company in aggregate of face value of Rs. 5/- (Rupees Five) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.



The result of the electronic voting together with that of the Postal Ballot is as under:

Manner of Voting	Votes IN FAVOUR	Votes AGAINST	Votes INVALID	Abstained from voting
E-voting	838	600	0	0
Postal Ballot	6894019	1852	7207	743
Total	6894857	2452	7207	743
Total %	99.964	0.036	-	-

Yours faithfully.

For KSM Associates, Company Secretaries

Krishna Sharan Mishra



KRISHNA SHARAN MISHRA
Practicing Company Secretary
FCS - 6447; CP - 7039

Place: Chennai
Date: 7th March 2016

Witness 1:

Himanshu Adhikari
Name : Himanshu Adhikari
Address : c/o - Neerajesa Narasimhan
Mansarovar, Pillicaine
Chennai - 600005
Occupation : Service

Witness 2:

Rishab Khatoor
Name : RISHAB KHATOOR
Address : 73, 74, Elephant gate st,
Sowcarpet, Chennai - 600019
Occupation : SERVICE

