

GALAXY SURFACTANTS LIMITED

CIN: - U39877MH1986PLC039877

Registered Office: C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400703

Tel.: - 91-2761 6666; Fax: - 91-27615883;

email:- galaxy@galaxysurfactants.com • Website: www.galaxysurfactants.com



NOTICE OF POSTAL BALLOT

Dear Member,

Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read with the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable Laws and Regulations, that the resolution appended below is proposed to be passed as special resolution by way of postal ballot / e-voting. The explanatory statement pertaining to the aforesaid resolution setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a Postal Ballot Form (the "Form") for your consideration.

The Board of Directors (the "Board") of the Company has appointed M/s. S. Sathyanarayanan & Co., Practicing Company Secretaries, as the Scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than Monday, September 19, 2016 before 5.00 p.m.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms (including e-voting), the Scrutinizer will submit his report to the Chairman / Director or to any of the Company officials as may be authorized, after completion of the scrutiny. The result of the Postal Ballot would be announced by a Director or the Company Secretary of the Company on Monday, September 26, 2016 at the Board Meeting at the Registered Office of the Company. The aforesaid result would be displayed at the Registered office of the Company, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz. www.galaxysurfactants.com and on CDSL's website viz. www.evotingindia.com. The resolution, if approved, will be taken as passed effectively on the date of declaration of result i.e. September 26, 2016.

Increase in the limit for Inter Corporate Investments, Loans and Guarantees:

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

"RESOLVED THAT in partial modification of the special resolution passed by the shareholders on September 19, 2014 the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under:

- (a) to make inter corporate loans, investments and extend guarantees for borrowings made or to be made by the subsidiary companies at any time or from time to time,
- (b) to give intercorporate loans, make investments including investments already made/ to be made by the Company in securities of other body corporate(s) by way of subscription, purchase or other wise, which together with the inter corporate investments, loans and guarantees given for subsidiary company's borrowings may have already exceeded the aggregate for the time being of
 - (a) 60% of the paid up share capital, free reserves and securities premium account of the Company; or
 - (b) 100% of its free reserves and securities premium account, whichever is higher, subject to that the total amount of inter corporate investment made in the share capital of the bodies corporate, including investments made in wholly owned subsidiaries and the loans and guarantees given for the subsidiary company's borrowing made by the Board shall not at any time exceed the limit of :
 - (i) USD 92.10 million or its rupee equivalent as on the transaction date at the rate as applicable at that time as per the accounting standards, for the wholly owned subsidiaries; and
 - (ii) An amount equivalent to Rs.1 crore towards investment in the Companies outside the Galaxy group (i.e other than the subsidiary companies) in India, subject to the compliance of applicable Laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sub delegate its powers to Committee of Directors and/ or Director and also to finalize and execute all such documents, deeds and writings, if any, as may be necessary, desirable or expedient, as it may deem fit to give effect to this resolution."

Registered Office:
C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai - 400 703

Place: Navi Mumbai
Date: August 1, 2016

By order of the Board
For Galaxy Surfactants Limited

Sd/-
Vinayak Shitole
Head- Resource Mobilization & Utilization Process &
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts and reasons for the proposed special resolution is appended to the Notice.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, August 12, 2016. (The Record Date)
3. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays between 11.00 a.m. to 1.00 p.m. up to the closure of the postal ballot.
4. The Company is also providing facility for voting by electronic means (i.e remote voting).
5. Resolution passed by the members through postal ballot including voting by electronic means shall be deemed to have been passed as if they have been passed at a General Meeting of the members convened in that behalf.
6. The members can opt for only one mode of voting, i.e., either by physical postal ballot or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid. Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy.

EXPLANATORY STATEMENT**Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013**

Your Company has made investments, extended loans and guarantees to its wholly owned direct and step down subsidiaries from time to time. As of March 31, 2016 such investments made by the Company in the subsidiary companies (direct and step down) amount to USD 40 million. (in Rs. 217.62 Crore). Besides, your Company has also extended Corporate Guarantees to the borrowings of its subsidiary companies covering term loans, working capital loans and other credit facilities from time to time amounting to USD 35.37 million (in Rs. 234.33 Crore) as of March 31, 2016.

Your Company has certain investments in the share capital of the companies outside the Galaxy group. Your Company now proposes to make additional investments in the share capital of some other Companies in the Indian market for the purpose of getting operational efficiency.

Pursuant to section 186(2) of the Companies Act, 2013, inter company investments, loans and guarantees extended even to wholly owned subsidiary companies have been brought within the purview of the prescribed limits. Hence, prior approval of members will be required if the Company is to make investments, extend loans or provide guarantees beyond the prescribed limits under the section. The said limits prescribed under the Companies Act, 2013 are (a) 60% of the paid up share capital, free reserves and securities premium account (Rs.284.17, Crores as of March 31, 2016 or (b) 100% of the free reserves and securities premium account (Rs.438.16 Crores as of March 31, 2016, whichever is higher.

Your Company had already taken the approval from the shareholders on September 19, 2014, by way of a Special resolution passed through postal ballot under section 186 of the Companies Act, 2013 where in the investments and borrowing made by the Board shall not at any time exceed the limit of USD 85 million or its rupee equivalent as on the transaction date at the rate as applicable at that time as per the accounting standards. The inter corporate loans, investment and guarantees extended for the borrowings made by the subsidiary companies as of March 31, 2016 was USD 75.37 million. The Board considers that going forward, based on business considerations the Company would be required to make further inter corporate investments, loans and extend guarantees for the borrowings of the subsidiary companies.

Hence, keeping in view with the provisions of the section 186 of the Companies Act, 2013, it is proposed to increase the limit for inter corporate investments, loans and guarantees to:

- (i) USD 92.10 million or its rupee equivalent as on the transaction date at the rate as applicable at that time as per the accounting standards, for the wholly owned subsidiaries; and
- (ii) Rs. 1 crore towards the Companies outside the Galaxy group. (i.e other than the subsidiary companies) in India, subject to the compliance of applicable Laws.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

Your Board recommends the above special resolution of the accompanying Notice for your approval.

Registered Office:
C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai - 400 703

Place: Navi Mumbai
Date: August 1, 2016

By order of the Board
For Galaxy Surfactants Limited

Sd/-
Vinayak Shitole
Head- Resource Mobilization & Utilization Process &
Company Secretary

Voting through electronic means (e-Voting / remote e-voting):

Pursuant to the provisions of section 108 of the Companies Act, 2013 and Rule 20, 22 (15) of the Companies (Management and Administration) Rules, 2014 as amended, and any other Provisions and Rules as may be applicable, the Company is pleased to provide its members, the facility to exercise their right to vote by electronic means ("Remote e-voting"). The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

- a) The voting period begins on August 20, 2016 at 9.00 a.m. and ends on September 19, 2016 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 (record date) i.e. August 12, 2016, may opt for remote e-voting. Also, once the e-vote on a resolution is cast by the member, he/she/it shall not be allowed to change it subsequently or cast the vote again. The e-voting module shall be disabled by CDSL for voting thereafter. Also, a person who is not a member as on the cut-off date (record date) i.e. August 12, 2016 should treat this notice for information purpose only.
- b) The results shall be declared on September 26, 2016 at the Board Meeting at the registered office of the company. The results along with the Scrutinizer's Report shall be placed on the Company's website viz. www.galaxysurfactants.com and on the website of CDSL viz. www.evotingindia.com.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 20, 2016 at 9.00 a.m. and ends on September 19, 2016 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 (record date) of August 12, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot form indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Galaxy Surfactants Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

THIS PAGE IS INTENTIONALLY LEFT BLANK