

GALAXY SURFACTANTS LIMITED

CIN: - U39877MH1986PLC039877

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

Tel:-91-2761 6666; Fax: - 91-65134444;

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 Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force.

Consent of the members is being sought to the Resolutions appended below which are proposed to be passed as Special Resolutions by Postal Ballot. The Explanatory Statement pursuant to section 102 of the Act pertaining to the said Resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot form (the "Form") for your consideration.

The Board of Directors has appointed M/s. S. Sathyanarayanan & Co., Company Secretaries, Vasai, Thane District as the Scrutinizer for conducting the Postal Ballot 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 and return the same in original duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.30 p.m. on 15th September 2014. Please note that Postal Ballot Form(s) received after the said date will be treated as not having been received.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman / Director or as may be authorised to any other director / officer of the Company 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 19th September 2014 at 2.45 p.m. at the Registered Office of the Company. The said 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. The resolutions, if approved, will be taken as passed effectively on the date of declaration of result i.e. 19th September, 2014.

1. Creation of Charges on the assets of the Company:

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

RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the creation of such mortgages, charges, and hypothecation in addition to the existing mortgages, charges and hypothecation created by the Company in such form and manner as the Board of Directors may approve, on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may feel expedient together with powers to take over the management and concern of the Company in certain events, in favour of Financial Institutions/ Banks and other Financing Agencies to secure term loans (long term/ short term) and working capital loans of an amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores) together with interest thereon in respect of loans/ borrowings contracted/ to be contracted by the Company or arrangements entered into / to be entered into by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and also finalise and execute such documents and writings, if any, 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 sub delegate its powers to a Committee of Directors and/ or a Director and also to finalize the terms and conditions of the loans/ borrowings mentioned in this resolution and the documents for creating the said mortgages, charges and hypothecations.

RESOLVED FURTHER THAT this resolution shall be deemed to have come into effect retrospectively from the date the provisions under Section 180(1) (a) under the Companies Act, 2013 became applicable and will be in seamless furtherance of the approval given by the shareholders under Section 293(1) (a) of the Companies Act, 1956 at their Twenty Fifth Annual General Meeting held on 9th September 2011 for such increase in the borrowing powers up to Rs. 1000 Crores (Rupees One Thousand Crores).

2. 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 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, to make inter corporate loans, investments and extend guarantees for borrowings done by the subsidiary companies at any time or from time to time, 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, and provided that the total amount of inter corporate investment, loans and guarantees given for the subsidiary company's 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.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised 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 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.

3. Maintaining the Register of Members at the Share Registrar's Office:

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

RESOLVED THAT pursuant to the provisions of the Sections 94 of the Companies Act, 2013, approval of the Members be and is hereby accorded to the Company to keep its Registers of Members as maintained under Section 88 of the Companies Act, 2013 at the office of its Registrar and Share Transfer Agent: Link Intime India Pvt. Ltd. C-13, First Floor, Pannalal Silk Mill Compound, L.B.S. Road, Bhandup – West, Mumbai - 400 078 in addition to at the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps as may be necessary, proper or expedient to give effect to this resolution.

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

By order of the Board
For Galaxy Surfactants Limited

Date: July 26, 2014
CIN: - U39877MH1986PLC039877

Ganesh Kamath
Head- Resource Mobilization &Utilization Process &
Company Secretary

NOTES:

1. The Explanatory Statement and reasons for the proposed Special Resolutions pursuant to Section 102 of the Act setting out material facts are 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 as on 5th August 2014.
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. and 1.00 p.m. up to the closure of the postal ballot.

EXPLANATORY STATEMENT

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

Item No. 1

In order to meet the requirements of funds for financing of capital expenditure/working capital requirements and/or general corporate needs, the Company has to raise funds and/or borrow from time to time in future, the moneys from Financial Institutions, Banks, Investment Institutions, Mutual Funds, Bodies Corporate, Foreign Financial Institutions/Banks, Individuals and/or other Financing Agencies by way of term loans, both in rupee and foreign currency and/or Debentures, which are normally secured by a mortgage/charge /hypothecation over the movable and immovable properties of one or more units of the Company.

As the documents to be executed for creation of such mortgage/ charge/hypothecation from time to time to secure such borrowings, may contain the power to take over the management or to sell or dispose off the assets of the Company in certain events, it is necessary for the Members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of mortgage/charge/ hypothecation as set out in this resolution.

Similar resolution was passed by the members as ordinary resolution at the Twenty Fifth Annual General Meeting held on 9th September 2011 as per the then prevalent provisions of the Section 293(1)(a) of the Companies Act 1956. Pursuant to the provisions under Section 180(1)(a) of the Companies Act, 2013, such a resolution has to be passed as a Special Resolution.

Accordingly, the Board of Directors recommends the resolution for approval of Members as Special Resolution without any increase in the existing overall limit of Rs. 1000 Crores (Rupees One Thousand Crores only) set earlier and such approval shall be with effect from 12th September 2013, when the provisions under the Companies Act, 2013, became applicable.

No Director, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the Resolution as set out at Item No. 1 of the Notice.

Your Board recommends the above special resolution at item No. 1 of the accompanying Notice for your approval.

Item No. 2

Your Company has made investments, extended loans and guarantees to its wholly owned direct and step down subsidiaries from time to time. As of 31st March, 2014 such investments made by GSL in the subsidiary companies (direct and step down) amount to USD 25.0 million. Besides, your Company has also extended Corporate Guarantees to the borrowing of its subsidiary companies covering term loans, working capital loans and other credit facilities from time to time amounting to USD 30.4 million as of 31st March 2014.

Intercompany investments, loans and guarantees extended to wholly owned subsidiary companies being exempted were outside the purview of the limits prescribed under Section 372A (8) of the old Companies Act, 1956. Thus it did not attract the requirement of prior Members' approval. However, pursuant to section 186 (2) of the new Companies Act, 2013, intercompany 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 would be required if the Company were to make investments, extend loans or provide guarantees beyond the prescribed limits under the section.

The limits prescribed are (a) 60% of the paid up share capital, free reserves and securities premium account (Rs. 196.47 Crores as of 31st March 2014 draft audited accounts) or (b) 100% of the free reserves and securities premium account (Rs. 292.00 Crores as of 31st March 2014 draft audited accounts), whichever is higher.

Inter corporate loans, investment and guarantees extended for the borrowings made by the subsidiary companies as of 31st March 2014 was USD 55.40 million and 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 186 of the Companies Act, 2013, the Board proposes an increase in the limit for inter corporate investments, loans and guarantees to 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.

None of the Directors are personally concerned or interested in the said Resolution. However they may be deemed to be interested only to the extent they are directors of the Holding Company.

Your Board recommends the above special resolution at item No. 2 of the accompanying Notice for your approval.

Item No. 3

Your Board considers that for better, effective and smooth administration it would be necessary to keep register of members at the office of the Registrar & Share Transfer Agent M/s. Link Intime India Pvt. Ltd., situated at C-13, First Floor, Pannalal Silk Mill Compound, L.B.S. Road, Bhandup – West, Mumbai - 400 078 in addition to at the Registered Office of the Company.

In terms of section 94 under Companies Act, 2013, approval of Members is required for keeping the register of members at place other than its registered office.

No Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out at Item No. 3 of the Notice

Your Board recommends the above special resolution at Item No. 3 of the accompanying Notice for your approval.

Registered Office:
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Pawne, Navi Mumbai - 400 703

By order of the Board
For Galaxy Surfactants Limited

Date: July 26, 2014
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