

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD

CIN: L70101MH1986PLC040119

Registered Office: 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai-400030

No. (Fax): 022 24950328 E-mail: jrgroup@jrmehta.com Website: www.cteil.com

NOTICE OF POSTAL BALLOT

{Pursuant to Section 110 of the Companies Act, 2013 read with The Rule 22 of the Companies (Management and Administration) Rules, 2014}

Dear Members(s),

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 other applicable laws and regulations, that the resolution appended below is proposed to be passed by Members through means of Postal Ballot/ electronic voting (e-voting).

The proposed Special Resolutions, along with the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out all material facts pertaining to the resolution and a Postal Ballot Form is enclosed for your consideration. The Board of Directors of the Company has appointed Mr. Bharat Upadhyay, Partner, M/s. N.L Bhatia & Associates, Company Secretaries as a Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

In compliance with Clause 35B of the Listing Agreement, provisions of Section 108 & 110 of the Act read with Rules made thereunder, the Company is pleased to provide e-voting facility to the Members to enable them to cast their votes electronically. Members holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 28th August, 2015 may cast their vote electronically on the business as set out in the Notice of the Postal Ballot through electronic voting system of Central Depository Services (India) Limited ('CDSL').

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Form duly completed in the attached self-addressed Business Reply Envelope, so as to reach, the Scrutinizer not later than 5.00 p.m. on Monday 5th October, 2015. The Ballot Form received after the said date will be treated as not received as per Rule 22(12) of the Companies (Management and Administration) Rules, 2014.

The Scrutinizer will submit his Report to the Chairman after the completion of the scrutiny of the voting by Postal Ballot and e-voting. The result of Postal Ballot and e-voting would be declared and notified by the Chairman on Thursday, 8th October, 2015 at 5.00 p.m. at the Registered Office of the Company situated at 110, T.V. Estate, 52, S.K. Ahire Marg, Worli, Mumbai – 400030. The aforesaid results shall be intimated to the Bombay Stock Exchange Limited (BSE) and also would be displayed on the Company's website at www.cteil.com. The date of declaration of result shall be deemed to be date of passing of the said resolution.

PROPOSED RESOLUTIONS:

- 1. To alter the Object Clause of the Memorandum of Association of the Company and in this regard, to consider and if thought fit, to pass the following resolution as Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including any statutory modifications or enactments thereof, for the time being in force) and subject to such approvals as may be necessary or required, the OBJECTS CLAUSE appearing in Clause III of the Memorandum of Association be altered in the following manner:

a) The following new sub-clauses 5,6,7,8 be inserted in the MAIN OBJECT clause of the Memorandum of Association after the existing sub-clause 4 in Clause III (A)

5. To Carry on business of manufacturing, processing, extrusioning, moulding, colouring, dipping, processing, exporting, importing, buying, selling, dealing as agents, distributors, and dealers in plastic materials, articles, goods, products, crates, pallets, appliances, containers, packing materials, toys, bottles, footwears, plastic, furniture, pipe, and fittings bangles, storage tanks, made from plastic materials, resins, rubber materials including polythelene, cellulose acetate, moulding powder, polystyrene, cellulose acetate, moulding powder, polystyrene, PET, polyvinyl, chloride, polypropyene, and copolymer epoxy resins composites, thermosetting, thermoplastics materials, polyol, isocyanate to be used by consumers, industrial, house hold, government, commercial, railway or for defence needs and purposes.
6. To carry on the business of manufacturers of and dealers in all kinds of moulds and of plastic material, injection moulding, extrusion moulding, stretch moulding, blow mouldings.
7. To carry on the business of manufacturers, assembling, repairing, buying, selling, reselling, exchanging, altering, importing, exporting, hiring or letting on hire or distributing or dealing in all kinds injection moulding machines.
8. To carry on the business of manufacturers, assembling, repairing, buying, selling, reselling, exchanging, altering, importing, exporting, hiring or letting on hire or distributing or dealing in all kinds of engineering components and used machines.

b) The following new sub-clauses 37, 38 be inserted after the existing sub-clause 4 in ‘Clause III (B)’ of the Memorandum of Association of the Company

37. To undertake the business as general traders and merchants, and buy, sell, export, import, deal in commodities, goods, things, contracts of all types, to deal in any commodity market, commodity exchange, spot exchange, for itself or for others, transaction in the nature of hedging, spot trading, forward commodity contracts, rate swaps, commodity future/swaps, commodity options, futures and options and in derivatives of all the commodities, whether for the purpose of trading, investment, hedging, arbitrage, or any other purpose, whether in India or abroad and to undertake the activity of warehousing and processing as may be required for the aforesaid purpose(s).
38. To invest, acquire, subscribe, purchase, hold, sell, divest or otherwise deal in securities, financial instruments, financial products, shares, scrips, stocks, equity/ index linked securities, units, bonds, commercial papers, acknowledgements, deposits, notes, obligations, warrants, government securities, loans, loan certificates, all kinds of derivatives including interest derivatives, futures, forwards, options, calls, swaps, rights or interest in securities, foreign currencies, carbon credits, financial securities and any

other securities issued by any entity whether for the purpose of hedging, arbitrage, or for any other purpose.

- c) The following sub-clause 54 be removed from Clause III (C) and included in 'Clause III (B)' as sub-clause 39 of the Memorandum of Association of the Company

39. To carry on in India or elsewhere the business of builders, contractors, designers, developers, infrastructure developers, constructions, financiers and brokers of all types of building and structures including houses, flats, apartments, offices, godowns, warehouses, shops, factories, sheds, hospitals, hotels, holiday resorts, convention centre, amusement parks, shopping cum residential complexes and to develop, erect, install, alter, improve, add, establish, renovate, recondition, protect, participate, enlarge, repair, demolish, remove, replace, maintain, manage, buy, sell, lease, let on hire, commercialize turn to account, fabricate, handle and control all such buildings and structures, and to purchase, sale or deal in all types of moveable or immovable properties for development, investment, or to resale and to act as buyer, seller, importer, exporter, agent, distributor, stockiest or otherwise to deal in all types of raw materials, goods, fittings, parts, accessories, know how, consumables, plants and machineries, tools and tackles used for the foregoing purposes.

- d) The Other Objects Clause of the Memorandum of Association of the Company be altered by completely deleting all the existing clauses III (C) 37 to III (C) 53.

RESOLVED FURTHER THAT Mr. Jayesh R Mehta, Director of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-forms with the Registrar of Companies, Mumbai”

2. Adoption of new set of Articles of Association of the Company:

To consider and if thought fit to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in place and in substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. Jayesh R Mehta, Director of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-forms with the Registrar of Companies, Mumbai”

3. To approve Borrowing Limits of the Company

To consider and, if fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, including any

amendment, modification, variation or re-enactment thereof, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, such sum or sums of money as they deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors of the Company and which shall not exceed ₹ 300,00,00,000/- (Rupees Three Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to the above resolution.”

4. To Create Charge on the assets of the Company

To consider and, if fit to pass the following resolution as a Special Resolution:

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to create charge / provide security for the sum borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders / Institutions, under the respective arrangements entered into / to be entered by the Company and/or Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to the above resolution.”

**By Order of the Board
For Chandni Textiles Engineering Industries Ltd**

**Place: Mumbai
Date: 27th August, 2015**

**J.R. Mehta
Chairman & Managing Director**

Notes:

1. An Explanatory statement pursuant to Section 102 of the Act, setting out material facts and reasons for the proposed special business is annexed hereto.
2. The Postal Ballot Notice is being sent to all the Members, whose names appears in the Register of Members/Statement of beneficial ownership maintained by the Depositories, i.e., National Securities Depositories Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) as on the close of business hours on Friday, 28th August, 2015
3. The Postal Ballot Notice is being sent by email to those Members who have registered their e-mail address with the Company or with their Depository Participants (“DP”) and Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form and self-addressed Business Reply Envelope through permitted mode.

4. In compliance with the provisions of Section 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreements, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically
5. Members can opt for only one mode of voting, i.e., either by Postal Ballot Form or e-voting. However, in case Members cast their vote by Postal Ballot Form and e-voting, then voting done through e-voting shall prevail and voting done by Ballot Form will be treated as invalid.
6. Mr. Bharat Upadhyay, Partner, N.L. Bhatia & Associates, Company Secretaries, has been appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner.
7. Upon completion of the scrutiny of Postal Ballot Forms and electronic responses, the Scrutinizer will submit his report to the Chairman of the Company. The results of the Postal Ballot will be declared on Thursday, 8th October, 2015. The said results along with the Scrutinizer's Report will be displayed on the website of the Company, i.e., www.cteil.com and intimated to Bombay Stock Exchange Limited (BSE).
8. The decision of the Scrutinizer on the validity of the Postal Ballot Form and any other related matter shall be final.
9. The date of the declaration of the results of the postal ballot shall be the date on which the said Special Resolution will be deemed to have been passed, if approved by the requisite majority as provided under the relevant provisions of the Act and the rules made thereunder.

The instructions for members voting electronically are as under:

- i. The voting period begins on Sunday, 6th September, 2015 at 10.00 a.m. and ends on Monday, 5th October, 2015 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 of Friday, 28th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting from 5.00 p.m on Monday, 5th October, 2015.
- E-VOTING PROCESS**
- ii. Log on to the e-voting website www.evotingindia.com
 - iii. Click on "Shareholders" tab.
 - iv. Now enter your user ID: (For CDSL: 16 digit beneficiary ID, For NSDL: 8 character DP ID followed by 8 Digits Client ID). 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 casted your vote earlier for 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 in Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in 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 Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <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)
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- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly 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 CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same 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 out print of the voting done by you by clicking on “Click here to Print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed 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. Note for Non- Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on www.evotingindia.com and register themselves as Corporate and Custodians respectively.
 - 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 they should create compliance user using the admin login and password. The Compliance user would be able to link the depository accounts/folio numbers on which they wish to vote.

- The list of accounts 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.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and the e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1

Your Company has stabilized its business of manufacturing and dealing in all kinds of textile machinery and in the business of sourcing of all kinds of used machinery. Ever since the fall in demand for its textile products, the Board of Directors of the Company was looking to expand the business activities of the Company in more lucrative avenues. The Board proposes to diversify into the business activities of manufacturing crates and allied materials so as to avail of the opportunities available in the retail sector.

Since the provisions of the Memorandum of Association of the Company are inadequate to enable to the company to undertake the said new business activities. It is thus proposed to amend the Memorandum of Association by inserting a new sub-clause 5, 6, 7, 8 in Clause III (A) & sub-clauses 37, 38, 39 in Clause III (B) as set out in the said resolution.

Further in order to align the Memorandum of Association with the provisions under Companies Act, 2013, the Other Objects Clause is being deleted.

Your Board recommends the acceptance of the resolution as set out in Item No. 1 of the Notice of the Meeting.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

Item No. 2

The Company had previously adopted its Articles of Association (AoA) under the Companies Act, 1956, which contained references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, several regulations of the existing Articles of Association of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles of Association with a new set of Articles of Association.

The draft of the new AoA is available for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 3.00 p.m to 5.00 p.m till the last date of receipt of the postal ballot forms from the Members.

Your Board recommends the acceptance of the resolution as set out in Item No. 2 of the Notice of the Meeting.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

Item No. 3 & 4

The Company vide Board Resolution passed in the meeting held on 12th February, 2011 had approved borrowing powers under Section 293 (1) (d) of the Companies Act, 1956 to the extent of overall limit of ₹ 300,00,00,000/- (Rupees Three Hundred Crores Only) on such terms and condition as detailed in the said resolution.

Under Section 180 of the Companies Act, 2013, the above powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution.

The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 3 and 4 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the said resolutions except to the extent of their equity holdings in the Company

**By Order of the Board
For Chandni Textiles Engineering Industries Ltd**

**Place: Mumbai
Date: 27th August, 2015**

**J.R. Mehta
Chairman & Managing Director**

Chandni Textiles Engineering Industries Ltd

CIN: L70101MH1986PLC040119

Registered Office: 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai-400030

Tel No. (Fax): 022 24950328 E-mail: jrgroup@jrmehta.com

POSTAL BALLOT FORM

1. Name(s) of Member(s):
(including joint-holders, if any)

2. Address of Member(s):

3. Registered Folio No. / DPID No. / Client ID No.:

I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through Postal ballot for the business stated in the Postal Ballot Notice of the Company dated Thursday, 27th August, 2015 by conveying my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Particulars of Resolution	No. of shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Special Resolution to alter the Object Clause of Memorandum of Association of the Company			
2	Special Resolution to Adopt new set of Articles of Association of the Company			
3	Special Resolution to approve Borrowing Limits of the Company			
4	Special Resolution to Creation of Charge on the assets of the Company			

Place: Mumbai

Date: 27th August, 2015

(Signature of Shareholder)

Last Date for Receipt of Postal Ballot Form: 5th October, 2015

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

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PASSWORD/ PIN

Instructions

1. A Member desiring to exercise his/her vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or deposited in person at the expense of the member will also be accepted.
2. The self-addressed Business Reply Envelope being sent herewith bears the name and address of the Scrutinizer appointed for conducting Postal Ballot process.
3. The Postal Ballot Form should be completed and signed by the Member (as per the specimen signature Registered with the Company/ Depository Participant). In case of joint holding, this Form should be completed and signed by the First named member and in his/her absence, by the subsequent named member and so on.
4. There shall be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders. The Postal Ballot shall not be exercised by a Proxy.
5. A member may request for a duplicate Postal Ballot Form, if so required and the same, duly completed, should reach the scrutinizer not later than the last date for voting.
6. The votes may be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the form invalid.
7. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
8. Voting period commences on and from Sunday, 6th September, 2015 at 10.00 a.m., and ends on Monday, 5th October, 2015 at 5:00 p.m.
9. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 5: 00 p.m. on Monday, 5th October, 2015. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
10. Voting rights shall be reckoned on the paid-up share registered in the name(s) of the Shareholder(s) as on the cut-off date i.e. Friday, 28th August, 2015
11. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be signed by the authorised signatory and shall be accompanied by a certified true copy of the Board Resolution/ Authorization together with specimen signature(s) of the duly authorised signatories.
12. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope in as much as all such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
13. Members from whom no Postal Ballot Form is received or received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolution.
14. A member need not use all his/her votes nor does he/she need to cast his/her votes in the same way.