

## KEMISTAR CORPORATION LIMITED

Regd. Office : 604, Manas complex, Jodhpur Cross Road, Satellite, Ahmedabad-380015  
Tel: 079-26923570 Web: [www.kemistar.in](http://www.kemistar.in) Email: [kemistarbse@gmail.com](mailto:kemistarbse@gmail.com)  
CIN: L24233GJ1994PLC022845

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### NOTICE OF THE POSTAL BALLOT

#### [Notice Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions if any, of the Companies Act, 2013, (the “Act”) read together with the Companies (Management and Administration) Rules, 2014, (“The Rules”) including any statutory modification, amendment or re-enactment thereof for the time being in force and applicable Clauses of the Listing Regulations, that the Resolutions appended below is proposed to be passed as a Special Resolution by way of Postal Ballot / e-voting. The Explanatory Statement pertaining to the said Resolution setting out the material facts concerning each item and the reasons thereof are annexed hereto along with the Postal Ballot Form (the “Form”) for your consideration.

The Board of Directors of the Company has appointed Mr. Gaurav Zinzuwadiya, Practicing Chartered Accountant (Membership No.150295), Ahmedabad as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by courier or by registered post / speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed postal ballot form(s) should reach the Scrutinizer not later than 17.30 Hours IST on March 28, 2018, Wednesday to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.

The Company is pleased to offer Electronic Voting (**‘e-voting’**) facility established by National Securities Depository Limited as an alternative which would enable a member to cast votes electronically, instead of sending physical Postal Ballot Form. E-voting is optional. Shareholders may refer to notification relating to e-voting detailed in this notice.

The Scrutinizer will submit the report to the Managing Director of the Company, upon completion of scrutiny of Postal Ballots. The result of the Postal Ballot / e-voting shall be declared on or before March 30, 2018, Friday and shall be communicated to the Stock Exchange, Depositories, Registrar and Share Transfer Agent and shall also be displayed on the Company’s website [www.kemistar.in](http://www.kemistar.in)

**The following special resolutions are passed by way of postal ballot in order to seek consent of the members:**

**1. ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS (SWAP) FOR ACQUISITION OF K P INTERNATIONAL PRIVATE LIMITED**

To consider and if thought fit to give ASSENT/DISSENT to the following Resolution as a Special Resolution:

**“RESOLVED THAT** in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and Listing Agreement entered into by the Company with the Stock Exchange where the Company’s Shares are listed and in accordance with the provisions of the SEBI (Issue of Capital and Disclosures Requirements), Regulations 2009 as amended (“the **ICDR Regulations**), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended (the “**SAST Regulations**”), as may be applicable to the preferential issue of Equity Shares and other applicable regulations of SEBI, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Foreign Exchange Management Act, 2000 and rules and regulations as may be prescribed by the RBI and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such consents and approvals of SEBI, Stock Exchanges, ROC, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, consents, permissions and/or sanctions and which may be agreed to by the Board, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 43,50,096 (Forty Three Lakhs Fifty Thousand and Ninety Six) Equity Shares of Rs. 10/- each at a price of Rs. 14.77(including a premium of Rs. 4.77) per Equity Share or price as on relevant date whichever is higher to the persons as mentioned in the explanatory statement determined by the Board in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modification(s) and subsequent amendments thereof, towards consideration for acquisition of around 60% stake in **K P International Private Limited** through swapping after valuation done by Independent Chartered Accountants.

**RESOLVED FURTHER THAT** the pricing of the Equity Shares to be allotted is in accordance with the SEBI’s Preferential Issue Guidelines. However, the issue price shall in no case be less than the price determined as per the Preferential Issue Regulations as provided in Chapter VII of SEBI (ICDR) Regulations, 2009.

**RESOLVED FURTHER THAT** the “Relevant Date”, as per the SEBI (ICDR) Regulations for the determination of issue price of the Equity Shares to be allotted pursuant to the preferential allotment shall be February 27, 2018 Tuesday being the date 30 days prior to the date of the last date of Voting of Postal Ballot being March 28, 2018 in terms of Section 110 read with Section 62 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the new Equity Shares issued shall rank pari- passu with the existing Equity Shares of the Company in all respects and that the Equity Shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.

**RESOLVED FURTHER THAT** the aforesaid Equity Shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

**RESOLVED FURTHER THAT** the allottees will swap their proposed Equity Shares stake in **K P International Private Limited** to the company as the consideration for preferential issue.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine, vary, modify the price, alter any of the terms and conditions of the issue, if necessary keeping in view the provisions of various Acts, Rules and Regulations in force from time to time.

**RESOLVED FURTHER THAT** the Company do apply for In-Principle Approval, Prior to Issue and Allotment of Equity Shares, and apply for listing of the new Equity Shares on the Stock Exchange and thereby comply with the applicable regulations.

**RESOLVED FURTHER THAT** the Company does make an application to the Depositories for admission of the new Equity Shares.

**RESOLVED FURTHER THAT** the Securities shall be allotted within a period of 15 days from the date of passing of this resolution, provided that if any approval or permissions by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of Equity Shares and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or

approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**2. Giving of Loans/Guarantees or making investments in any Company(ies)**

To consider and, if thought fit to give ASSENT/DISSENT to the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification thereof or the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company(hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to anybody corporate or give any guarantee or provide security in connection with a loan to any company(ies) or acquire by way of subscription, purchase or otherwise, the securities of any company(ies) up to an aggregate amount not exceeding INR 100 Crores notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/or securities so far acquired or to be acquired by the company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

**Place:** Ahmedabad

**Date:** February 23, 2018

**For and on behalf of the Board of Directors**

**Kemistar Corporation Limited**

**Registered Office:**

604, Manas Complex,  
Jodhpur Cross Road,  
Ahmedabad-380015, Gujarat, India

**Ketankumar Patel**  
**Managing Director**  
**DIN: 01157786**

## NOTES:-

1. The Explanatory Statement pursuant to Section 102 of the Act stating all material facts are 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 cut-off date i.e. February 23, 2018.
3. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot is being sent to the Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical Shareholding). For Members who have not registered their e-mail IDs, physical copy of the Notice of Postal Ballot along with Postal Ballot Form are being sent by permitted mode along with the postage pre-paid self-addressed business reply envelope. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from the link: <https://www.evoting.nsdl.com> or from the 'Investors' section on the Company's website [www.kemistar.in](http://www.kemistar.in).
4. Resolutions passed by the Members through Postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. Voting period commences on and from 9.00 a.m. (IST) February 27, 2018, Tuesday and ends at 5.00 p.m. (IST) on March 28, 2018, Wednesday .The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it subsequently.
6. The Members can opt for only one mode of voting, i.e., either by Physical Ballot or Remote E-Voting. In case Members cast their votes through both the modes, voting done by Remote E-Voting shall prevail and votes cast through Physical Postal Ballot Forms will be treated as invalid.
7. The voting rights shall be reckoned in proportion to a Member's share of voting rights on the paid-up Equity Share capital of the Company as on February 23, 2018.
8. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s.
9. A Member cannot exercise his vote by proxy on postal ballot.
10. The Board of Directors of the Company has appointed Mr. Gaurav Zinzuwadiya, Practicing Chartered Accountant (Membership No.150295), as scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of his scrutiny, the Scrutinizer will submit his report to the Managing Director and in his absence to the Company Secretary of the Company and the result of the Postal Ballot will be announced on March 28, 2018 at the Registered Office of the Company at 5.00 p.m. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Company's website [www.kemistar.in](http://www.kemistar.in) and on the Notice Board of the Company at its Registered Office and on the website of NSDL viz. <https://www.evoting.nsdl.com> and shall be communicated to the Stock Exchange where the shares of the Company are listed.
11. The Valuation Report and all other material documents referred to in the accompanying Explanatory Statement will be available for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day excluding Saturday and Sunday till the last date for receiving Postal Ballot Forms by scrutinizer i.e. March 28, 2018.
12. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.
13. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.

14. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to Registrar and Transfer Agent viz., Purva Sharegistry (India) Pvt. Ltd. at [busicomp@vsnl.com](mailto:busicomp@vsnl.com). The Registrar and Transfer Agent / Company shall forward the same along with postage -prepaid self- addressed Business Reply Envelope to the Member.

#### **VOTING THROUGH PHYSICAL POSTAL BALLOT FORM**

Members desiring to exercise their vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than Close of Working Hours (i.e. 17:30 Hours IST) on Wednesday, March 28, 2018. The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any postal ballot is received after the said time and date, it will be considered that no reply from the Member has been received.

#### **VOTING THROUGH ELECTRONIC MEANS (E-VOTING)**

Pursuant to the provisions of Section 108, 110 of the Companies Act, 2013, read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; as amended from time to time, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice of Postal Ballot. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the E-Voting facility.

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

#### **How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who holdshares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
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5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, yourPAN,your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting.Click on e-Voting. Then,click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to \_\_\_\_\_**<Please mention the e-mail ID of Scrutinizer>** with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**General Information:**

- (a) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- (b) 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).
- (c) Please note that login to e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to re-set the same.
- (d) Kindly note that the Shareholders can opt for only one mode of voting, i.e., either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case Shareholders cast their vote by both Physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and votes cast through physical Ballot Form will be treated as invalid.
- (e) Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so as to reach the Scrutinizer not later than close of working hours (i.e. 5.00. p.m. IST) on March 28, 2018. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted. Assent / Dissent received after March 28, 2018 would be strictly treated as if reply from the shareholder has not been received.
- (f) As per Rule 22 of the Companies (Management and Administration) Rules, 2014, inter-alia details of dispatch of Notice and Postal Ballot Form to the Shareholders will be published in at least one English language and one vernacular language newspaper.
- (g) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual for members available on the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the 'Download Section'. You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Toll Free No. 1800-222-990.

## **ANNEXURE TO THE NOTICE**

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

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“ACT”), sets out material facts relating to the business mentioned in the accompanying Notice dated February 23, 2018.

#### **Item No. 1**

The Special Resolution as mentioned under Item No. 2 proposes to authorize the Board of Directors to issue and allot up to 43,50,096 Equity Shares of Rs. 10 each at a price of Rs. 14.77 (including premium of Rs. 4.77) or price as on relevant date, whichever is higher on SWAP Basis to the Shareholders of K P International Private Limited.

Information pertaining to the proposed preferential allotment in terms of the Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto is stated below:

#### **1. Object(s) of the issue through preferential offer:**

To acquire not less than 60% stake in K P International Private Limited by way of swapping of Shares from the Shareholders of K P International Private Limited.

#### **Brief Profile**

Kemistar Corporation Limited was incorporated on August 24, 1994, under the Companies Act, 1956 in the name and style as Integrated Amusement Limited as a limited company and received the Certificate of commencement of business on August 31, 1994 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of the Company was changed to Kemistar Corporation Limited and a fresh certificate of incorporation consequent to change of name was obtained on September 4, 2009.

The CIN of the Company is L24233GJ1994PLC022845. The registered office of the Company is situated at 604, Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad– 380015. The Equity Shares of the Company are listed on BSE Limited. The Company is engaged in the business of trading of dyes, pigments and specialty chemicals.

K P International Private Limited was incorporated on February 15, 2007 under the Companies Act, 1956 as a private limited company pursuant to Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on February 15, 2007

The CIN of the Company is U24110GJ2007PTC050026. The registered office of the Company is situated at 604, Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad– 380015.

The company is engaged in the business of manufacturing pigments, pigment dispersions, food colour, inorganic pigment and chemical dyes.

**2. List of Allottees:**

Sr. No.	Name of the Proposed Allottee	Category	No. of shares proposed to be allotted	Names of the Ultimate Beneficiaries/Owners
1	Mr. Ketankumar P Patel	Promoter	2,70,096	Mr. Ketankumar P Patel
2	Mr. Parshottambhai M. Patel	Promoter	10,62,840	Mr. Parshottambhai M. Patel
3.	Mrs. Shantaben P. Patel*	Promoter* Group	12,13,800	Mrs. Shantaben P. Patel
4	Mr. Dipakkumar P. Patel*	Promoter* Group	16,320	Mr. Dipakkumar P. Patel
5	Mrs. Hiralben D. Patel*	Promoter* Group	6,12,000	Mrs. Hiralben D. Patel
6	Patel Parshottambdas M HUF*	Promoter* Group	8,36,400	Mr. Parshottambhai Patel and Mrs. Shantaben P. Patel
7	Patel Dipakkumar Parshottamdas HUF*	Promoter* Group	3,38,640	Mr. Dipakkumar P. Patel and Mrs. HiralbenD.Patel
	<b>Total</b>		<b>43,50,096</b>	

\*Pursuant to the open offer and post allotment these allottees will form part of the Promoter Group of the Company.

**3. The proposal of the Promoters / Directors / Key Management Persons of the Issuer to subscribe to the offer:**

The aforesaid Promoters and Director are intending to subscribe to the Offer and none of the other Directors or Key Management Person of the Company intends to subscribe to the Offer being proposed under Special Resolution of the Notice for approval of Members at this meeting.

**4. Shareholding Pattern before and after the Preferential Issue of the capital would be as follows:**

	Category	Pre Issue holding Details		Post Issue holding details	
		No. of Shares	% of shares	No. of Shares held	% of shares
<b>A</b>	<b>Promoters' Shareholding :</b>				
1.	Indian Promoters	2,11,392	11.33	45,61,488	73.38
2.	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>2,11,392</b>	<b>11.33</b>	<b>45,61,488</b>	<b>73.38</b>
<b>B</b>	<b>Public Shareholding :</b>				
1.	Institutions	-	-		

2.	Non-Institutions :				
A.	Bodies Corporate	24,332	1.30	24,332	0.39
B.	Individuals	16,30,604	87.37	16,30,604	26.23
	NRIs				
	Clearing Members	32	0.00	32	0.00
C.	Any Others (HUF)	32	0.00	32	0.00
	<b>Sub Total (B)</b>	<b>16,55,000</b>	<b>88.67</b>	<b>1655000</b>	<b>26.62</b>
	<b>Grand Total (A+B)</b>	<b>18,66,392</b>	<b>100.00</b>	<b>62,16,488</b>	<b>100.00</b>

\*Above shareholding pattern is prepared based on Shareholding of the Company as on December 31, n 2017.

**5. Consequential Changes in the Voting Rights:**

Voting Rights will change according to the change in the shareholding pattern mentioned above.

**6. Proposed time within which the allotment shall be completed:**

The equity shares shall be allotted within a period of 15 days from the date of passing of the Resolution by the Shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI or Central Government the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

**7. Approvals:**

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI or any other regulatory agency as may be applicable for the proposed preferential issue of Equity shares.

**8. Change in Management / SEBI Takeover Code:**

The Company will issue 43,50,096 Equity Shares on preferential basis to the proposed allottees in accordance with Chapter VII SEBI (ICDR) Regulations, 2009, pursuant to which open offer will be triggered under Regulation 3 of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011. The Proposed allottees will form part of the Promoter Group. However there is no change in management of the Company.

**9. The Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:**

Sr. No.	Name of proposed allottee	Category	Pre-issue shareholding		Equity Shares proposed to be Allotted		Post issue shareholding	
			No. of shares	%*	No. of shares	No. of shares	%	
1.	Mr. Ketankumar P	Promoter	28,040	1.50	270,096	2,98,136	4.80	

	Patel*						
2.	Mr. Parshottambhai M. Patel*	Promoter	63,100	3.38	1,062,840	11,25,940	18.11
3.	Mrs. Shantaben P. Patel*	Promoter Group*	0	-	1,213,800	1,213,800	19.53
4.	Mr. Dipakkumar P. Patel*	Promoter Group*	1,952	0.10	16,320	18,272	0.29
5.	Mrs. Hiralben D. Patel*	Promoter Group*	0	-	6,12,000	6,12,000	9.84
6.	Patel Parshottambdas M HUF*	Promoter Group*	0	-	8,36,400	8,36,400	13.45
7.	Patel Dipakkumar Parshottamdas HUF*	Promoter Group*	0	-	3,38,640	3,38,640	5.45
	<b>Total</b>			<b>4.98</b>	<b>43,50,096</b>	<b>44,43,188</b>	<b>71.47</b>

\*Post allotment these allottees will form part of the Promoter Group of the Company

#### 10. Pricing of the issue:

The Equity Shares will be issued at such an Issue Price as per the Valuation Report made by M/s. Patel & Jesalpura, Chartered Accountants, Ahmedabad which includes SEBI ICDR Regulations, 2009.

**Accordingly Issue Price works out to Rs. 14.77 (including premium of Rs. 4.77) per Equity Share. The SWAP Ratio has been arrived at 204:100 i.e., Two Hundred and Four Equity Shares of the Target Company for every One Hundred shares of KP International Private Limited swapped. This results in issuance of 43,50,096 Equity Shares of Rs. 10/- each by Kemistar Corporation to the certain Equity Shareholders of KP International Private Limited** SEBI (ICDR) Regulations, 2009 provides that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

##### a) In case of frequently traded shares:

The allotment of securities on preferential basis can be made at a price not less than higher of the following:

The average of the weekly high and low of volume weighted average prices of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date;

**Or**

The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

“frequently traded shares” means shares of an issuer, in which the traded turnover on any stock exchange during the twelve calendar months preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares. "

**b) In case of Infrequently traded shares:**

The price determined by the issuer shall take into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent merchant banker or an independent chartered accountant in practice having a minimum experience of ten years, to the stock exchange where the equity shares of the issuer are listed.

The Relevant Date for the purpose of pricing of the Equity Shares is February 15, 2018 being 30 days prior to the date of meeting of Shareholders is held to consider the proposed preferential issue as per Regulation 71.

**11. Relevant Date:**

The Relevant Date for the purpose of pricing of the Equity Shares shall be February 27, 2018 being the date which is 30 days prior to the last date of receipt of duly completed Postal Ballot Form or e-voting.

**12. Auditors' Certificate:**

A certificate will be obtained from the Independent Chartered Accountant confirming the minimum price for the preferential issue as Preferential Issue Guidelines in Chapter VII SEBI (ICDR) Regulations, 2009 along with calculation thereof and the same will be made available for inspection at the Registered Office of the Company.

**13. Holding of Share in Demat Form Sale / Transfer of Equity Shares by the proposed allottees:**

The proposed allottees have confirmed to the Company that they have not sold / transferred any Equity Shares of the Company during the period of six months prior to the Relevant Date. The entire Shareholding of the proposed allottees in the Company if any is held by them in dematerialized Form.

**14. Lock in Period:**

The shares to be allotted on preferential basis shall be subject to lock-in as per SEBI (ICDR) Regulations, 2009. The entire pre-preferential allotment shareholding of the above allottees shall be locked-in from the Relevant Date upto the period of 6 months

from the date of Trading Approval granted by BSE Limited as per the Regulations 78(6) of the SEBI (ICDR) Regulations, 2009.

#### **15. Undertakings**

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) If the amount payable on account of the recomputation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

16. None of the Promoters or Directors has been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

#### **17. Compliances:**

The Company has complied with the requirements of SEBI (Issue of Capital and Disclosures Requirements), Regulations 2015, including Regulation 38 i.e. maintaining a minimum of 25% of the paid up capital of the Company with the public.

#### **18. Approval under the Companies Act, 2013**

Section 62(1) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in Section 62 unless the shareholders decide otherwise in General Meeting /Postal Ballot by way of a Special Resolution.

Hence, consent of the shareholders by way of a Special Resolution is being sought pursuant to Section 62(1)(c) and all other applicable provisions of Companies Act, 2013 and in terms of the provisions of the SEBI (ICDR) Regulations, 2009 and the SEBI (LODR) Regulations, 2015, issue and allot equity shares as stated in the resolution, which would result in further issuance of securities of the company to the Promoters and others on a preferential basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors commends the resolution as set out at Item No. 1 for approval of the shareholders as a Special Resolution.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors/Key Managerial Personnel of the Company is, in anyway, concerned or interested in the above resolution except Mr. Ketankumar P. Patel and Mr. Parshottambhai M. Patel and their relatives being either Shareholders or Directors of the Company.

**Item No. 2**

As per the provisions of Section 186 of the Companies Act, 2013, read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution to make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to fall in line with the statutory requirements.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the proposed Resolution set out in Item No. 2 of the Notice.

**Place:** Ahmedabad  
**Date:** February 23, 2018

**For and on behalf of the Board of Directors**  
**Kemistar Corporation Limited**

**Registered Office:**  
604, Manas Complex,  
Jodhpur Cross Road,  
Ahmedabad-380015, Gujarat, India

**Ketankumar Patel**  
**Managing Director**  
**DIN: 01157786**

## KEMISTAR CORPORATION LIMITED

Regd. Office : 604, Manas complex, Jodhpur Cross Road, Satellite, Ahmedabad-380015  
Tel: 079-26923570 Web: [www.kemistar.in](http://www.kemistar.in) Email: [kemistarbse@gmail.com](mailto:kemistarbse@gmail.com)  
CIN: L24233GJ1994PLC022845

### POSTAL BALLOT FORM

#### Postal Ballot Form No.:

1	Name & Registered Address of the Sole/first-named Shareholder in BLOCK LETTERS	
2	Name (s) of Joint Holders (if any)	
3	Registered Folio No. /DP ID No./ Client ID No.>(*Applicable to investors holding Equity Shares in dematerialized form)	
4	Number of Equity Shares held	

I / We, hereby exercise my / our vote in respect of the following 'Special Resolution' to be passed through Postal Ballot for the Special Businesses stated in the Notice dated February 23, 2018 of Kemistar Corporation Limited (the "Company") by sending my /our assent **(FOR)** or dissent **(AGAINST)** to the said resolutions by placing the tick mark (✓) at the appropriate column below:

Item No.	Description of the Resolution	No. of Equity Share(s) held	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Special Resolution to issue Equity Shares on Preferential Basis (SWAP) for acquisition of K P International Private Limited			
2.	Giving of Loans/ Guarantees or making investments in any Company(ies)			

Place:

Date:

(Signature of Member as per registered specimen)

### ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	User ID	Password
108232		

#### NOTE:

- 1) Please read the instructions printed overleaf and in the notice of the postal ballot carefully before exercising your vote.
- 2) Last date for receipt of Postal Ballot Form by the Scrutinizer: March 28, 2018, Wednesday (5:00 p.m.)
- 3) If the voting rights are exercised by e-voting, this form need not be used.

## **INSTRUCTIONS**

1. A Member desirous of exercising her/ his vote by Postal Ballot may complete this Postal Ballot Form and send it to the following address of the Scrutinizer by post / courier.  
Mr. Gaurav Zinzuwadiya, Scrutinizer,  
Kemistar Corporation Limited  
604, Manas Complex  
Jodhpur Cross Road,  
Ahmedabad - 380015, Gujarat, India
2. Please convey your assent / dissent in this Postal Ballot Form. The assent or dissent received in any other physical form shall not be considered valid.
3. This Form must be completed and signed (as per specimen signature registered with the Company) by the Member. In case of Joint-holding, this Form must be completed and signed by the first named Member and in his absence, by the next named Member.
4. Unsigned, incomplete or incorrectly ticked Postal Ballot Forms shall be rejected.
5. The Scrutinizer's decision on the validity of the Postal Ballot / e-voting will be final.
6. The Postal Ballot / e-voting shall not be exercised by a proxy.
7. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of Board Resolution / Authorisation together with the specimen signature(s) of the duly authorised signatories.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on February 08, 2018.
9. Members are requested not to send any other paper along with the Postal Ballot Form and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. There will be one Postal Ballot Form for every Folio / Client ID, irrespective of the number of joint holders.
11. In case of non-receipt of the Postal Ballot Form or for any query related thereto, the Members may contact the company or its Registrar and Transfer agent, Purva Sharegistry (India) Pvt. Ltd. 9 Shiv Shakti Industrial Estate, J R Boricha Marg, Opp. Kasturba Hosp., Lower Parel (E), Mumbai, Maharashtra, 400011, or send an email at [busicomp@gmail.com](mailto:busicomp@gmail.com) or [kemistarbse@gmail.com](mailto:kemistarbse@gmail.com) or download the Postal Ballot Form from the Company's website [www.kemistar.in](http://www.kemistar.in)
12. The Members can opt for any one mode of voting i.e., either by physical Postal Ballot Form or e-voting. The voting, both through postal ballot and through electronic mode shall commence from February 27, 2018 at 10:00 a.m. and shall end on March 28, 2018 at 5:00 p.m. In case, member(s) 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.
13. The Company is pleased to offer e-voting facility, as an alternative, for all the members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. **THE DETAILED PROCEDURE FOR E-VOTING IS ENUMERATED IN THE NOTES TO THE POSTAL BALLOT NOTICE.**