



ARCHIDPLY INDUSTRIES LIMITED

CIN: L85110KA1995PLC018710

Registered Office: No.29/2, G.K.Manor, 1st Floor, Nehru Circle, Sheshadripuram, Bengaluru – 560020

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NOTICE OF POSTAL BALLOT

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the “Companies Act”), read with the Companies (Management and Administration) Rules, 2014 (the “Rules”), including any statutory modification or reenactment thereof as applicable from time to time, that Archidply Industries Limited (the “Company”) is seeking the consent of its Members for the Special Business to be transacted, by passing a special resolution through Postal Ballot/e-voting. The relevant Explanatory Statement setting out the material facts and the reasons for the Resolution are appended herewith along with a ‘Postal Ballot Form’ for your consideration.

The members are requested to consider and, if thought fit, to give their ASSENT/ DISSENT to the following resolution as a special resolution:

“RESOLVED that pursuant to Section 188 and other applicable provisions, if any, of the Companies Act 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof as applicable from time to time) consent of the members of the Company be and is hereby accorded to the Board of Directors (“Board”) for entering into a lease agreement with M/s. The Mysore Chipboards Limited to take on lease land admeasuring 229779 square feet situated at Hootgally, Mysore for a period of 15 years with effect from January 1, 2016 or such other date as may be agreed to by the parties, for future expansion plans/ requirements of the Company, for an monthly lease rental of Rs. 1.25 per square feet , totaling to Rs. 2,87,224 per month and security deposit of Rs. 3 crores on the material terms and conditions set out in this notice.”

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/ agreements as may be required and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper and to settle any question, difficulty or doubt that may arise in this regard.

By Order of the Board

Place : Bengaluru
Date : November 10, 2015

Rajneesh Sharma
VP & Company Secretary

Notes:

1. Explanatory Statement as required under Section 102 of the Companies Act in respect to the resolutions is annexed to this Notice.
2. All documents referred to in the above Notice are open for inspection at the Registered Office of the Company during office hours.
3. The Notice is being sent to all the Members by post (and electronically by e-mail to those Members who have registered their e-mail ids with the Company), whose names appear in the Register of Members / Record of Depositories as on **13.11.2015** and those will also be considered for voting.
4. Voting Rights shall be reckoned on the paid up value of the shares registered in the names of the Members as on **13.11.2015**
5. Resolution passed by the Members through Postal Ballot including e-voting is deemed to have been passed effectively at a general meeting of the Members. The Special Resolution shall be declared as passed if the number of votes cast in favour of the Special Resolution is not less than three times the number of votes cast against the Special Resolution.

6. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. A Postal Ballot Form along with self-addressed postage pre-paid envelope is also enclosed. The Members voting in physical form are requested to carefully read the instructions printed in the attached Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can seek duplicate Postal Ballot Form from), Karvy Computershare Private Limited, Unit: Archidply Industries Limited, Karvy Selenium Tower B , Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, fill in the requisite details and send the duly completed and signed Postal Ballot Form in the enclosed self-addressed pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer on or before **5.00 p.m. on December 13, 2015**. Any Postal Ballot Forms received after **December 13, 2015** shall be treated as if the reply from the Member has not been received.
7. The date of dispatch of the 'Postal Ballot Notice' and Explanatory Statement along with the postal ballot papers shall be announced through advertisement in the following newspapers: (i) Financial Express(English), (ii) Hosadiganta (Kannada), having wide circulation in the district where the registered office of the Company is situated.
8. Mr. S. Anand SS Rao, Company Secretary in practice, Hyderabad, has been appointed by the Company as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
9. The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other designated Director or Managing Director of the Company or the Company Secretary after completion of scrutiny of Postal Ballot Forms received. The results of the Postal Ballot will be declared on **December 16, 2015** by uploading it along with the Scrutinizer's Report on the website of the Company at www.archidply.com and will also be informed to the Stock Exchanges. The date of declaration of the result of the voting will be taken to be the date of passing of the special resolution.
10. In compliance with provisions of Section 108 of the Companies Act read with the Rules and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for its Members to enable them to cast their votes electronically. **Members have option to vote either through e-voting or through the physical Postal Ballot Form. If a Member has opted for e-voting, then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case Members cast their vote both via physical Postal Ballot and e-voting, then voting through physical Postal Ballot shall prevail and voting done by e-voting shall be treated as invalid.**

INSTRUCTIONS FOR E-VOTING

1. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
2. Enter the Login credentials (i.e., User Id & Password) mentioned on the email /Postal Ballot Form received by you. ***In case you are already registered with Karvy, you can use your existing user id and password for casting your vote.***

User-ID	For Members holding Shares in Demat Form (Electronic Mode): - For NSDL: 8 Character DP-ID (Starts with "IN") followed by 8 Digits Client ID. - For CDSL: 16 Digits beneficiary ID. For Members holding Shares in Physical Form: - Event Number followed by Folio Number registered with the Company.
Password	Your Unique Password is printed on the Postal Ballot Form / via email forwarded through the Electronic Notice.
Captcha	Enter the Verification Code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Members can cast their vote online
 From: Wednesday, 18, November 15 (9:00 a.m.)
 To: Sunday, December 13, 2015 (till 17:00 hrs).
 Thereafter the e-voting module will be disabled by Karvy for voting.
4. After entering these details appropriately, click on "LOGIN".
5. Members holding shares in Demat/Physical form will now reach Password Change Menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of the Company or any other company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID, etc. on first login. You may also enter the Secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. You need to login again with the new credentials.
7. On successful login, system will prompt to select the "EVENT" i.e., Archidply Industries Limited.
8. On the voting page, you will see Resolution Description and against the same the option "FOR/AGAINST/ABSTAIN" for voting. 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. Once you have voted on the resolution, you will not be allowed to modify your vote.
9. In case of shares held by companies, trusts, societies, etc., the duly completed postal ballot form should be accompanied by a certified true copy of the resolution of its Board of Directors / authority Letter authorising the person to represent in terms of Section 113 of the Companies Act, 2013 read Shareholder voting through e-voting mode should send a scanned copy (PDF/JPG Format) of the aforesaid document(s) together with attested specimen signature of the duly authorized signatory(ies) to the Scrutinizer through e-mail on einward.ris@karvy.com with a copy marked to evoting@karvy.com.
10. Please contact Karvy toll free No. 1-800-34-54-001 for any further clarifications or may refer the Frequently Asked Questions (FAQs) for Members and e-Voting User manual for Members available at the "Downloads" section of <https://evoting.karvy.com>.
11. Voting can be exercised only by the shareholder or his/her duly constituted attorney or in case of bodies corporate, the duly authorized person.
12. Members holding shares either in physical form or in dematerialized form may cast their vote electronically.
13. Those Members who have not registered their email ID, are requested to register their e-mail id with their respective Depository Participant, in case the shares are held in demat mode and in case the shares are held in physical form to the Registrar and Transfer Agent (R&TA), Karvy Computershare Private Limited, Unit: Archidply, Karvy Selenium Tower B , Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032.

Annexure to the Notice

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Board of Directors at their meeting held on November 10, 2015 considered the future business plans of the Company to meet the market requirements. The Board felt that it would be ideal for the Company to acquire certain extent of land to meet the requirements of expansion plans of the Company. The Board further felt that it would be advantageous to take additional land on lease at this point in time as availability of land in large parcel would be difficult and at huge cost as and when such decisions are taken. The Company has identified 229779 square feet of land with The Mysore Chipboards Limited (TMCL).

The Board considered the proposal to take the said land admeasuring 229779 square feet situated at Hootgally Village, Mysore on lease from TMCL on a long term basis for a period of 15 years to meet future expansion plans/requirements of the Company.

The Company had engaged a consultancy firm for determining the lease rental of the land proposed to be taken on long lease. The valuation report of the proposed land to be taken on lease was considered and the Board accepted the recommendations of the said firm with regard to pricing of the proposed transaction. Accordingly, the lease rental has been fixed at Rs. 287224 per month and Security deposit of Rs. 3 crores payable upfront at the time of entering into lease agreement.

TMCL, being a related party as per the provisions of Section 2(76) of the Companies Act 2013(Act) and the proposed lease of land on a long term basis may be deemed not in the ordinary course of business. Hence approval of the members is being sought by way of a special resolution pursuant to the provisions of Section 188 of the Act.

The particulars of the proposed transaction required to be disclosed under the provisions of the Act and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under

a. **Name of the Related Party and nature of relationship:**

The Mysore Chipboards Private Limited (TMCL). Mr. Deen Dayal Daga, Chairman; Mr. Shyam Daga, Managing Director and Mr. Rajiv Daga, Joint Managing Director of the Company are also the Directors and shareholders in the TMCL.

b. **Nature and duration of the contract:**

Lease Deed to take on lease land admeasuring 229779 square feet situated at Hootgally, Mysore for a period of 15 years from January 1, 2016 or such other date as may be agreed by the Company and TMCL.

c. **Material terms including consideration:**

- i. The Company proposes to take 229779 square feet of land on a long term lease for a period of 15 years on the lease rental of Rs. 287224 per month at the rate of Rs. 1.25 per square feet. The Security deposit of Rs. 3 crore payable upfront at the time of entering into lease agreement, which is refundable after the completion of the lease period.
- ii. The long term lease facilitates the Company to sub-lease, license, sub-license, the whole or any part of the land or to assign its rights under this lease, provided that any such assignment or sub-lease, license, sub-license shall always be subject to the terms of the lease.
- iii. Indemnity against any loss that may be suffered by the Company due to any act of omission or commission by TMCL and their assigns or loss due to any act of government or quasi or judicial authority by any act with regard to the ownership and transferability/lease of the land.
- iv. TMCL and its directors will indemnify the Company and its directors/assigns for any loss that may arise due to any act/requirement which would invalidate the usage of land for the setting up/running of the manufacturing facility set up/to be set up by the Company during the lease term.
- v. The Company alone has the right to terminate the lease in case of any issue(s) arising or leading to termination of the contract.
- vi. Jurisdiction of courts : Bangalore, Karnataka, India

d. Manner of determining the pricing, commercial terms and the factors considered:

The valuation report of the consultancy firm engaged by the Company and other relevant factors such as location, state of the land, prevailing market rates, proximity to the Chintamani plant and the resultant benefits which would accrue to the Company in future were considered in determining the price and other commercial terms.

A copy of the draft lease deed proposed to be entered with TMCL and the valuation report of the consultancy firm is available for inspection without any fee by the members at the registered office of the Company during normal Business hours on working days up to December 13, 2015.

Mr. Deen Dayal Daga ,Chairman; Mr. Shyam Daga, Managing Director and Mr. Rajiv Daga, Joint Managing Director of the Company are also the Directors and shareholders in the TMCL are interested in the resolution set out in the enclosed notice. The relatives of Mr. Deen Dayal Daga, Chairman; Mr. Shyam Daga, Managing Director and Mr. Rajiv Daga, Joint Managing Director of the Company may be deemed to be concerned or interested to the extent of their shareholding interest, if any, in the Company in the said resolution.

By Order of the Board

Place : Bengaluru
Date : November 10, 2015

Rajneesh Sharma
VP & Company Secretary