



AJEL LIMITED

Regd. Office: # 106, Mhada Shopping Complex, New Link Road, Oshilwara, Jogeshwari (West)
Mumbai Maharashtra, India.

NOTICE

(Postal Ballot Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001)

Dear Shareholders,

Postal Ballot Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 Pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, notice is hereby given that the Company is seeking consent of its Members by passing resolution through Postal Ballot in respect of the Special business(es) appended below.

The proposed Special business (es), along with the Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 and a Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. V. Ahalada Rao, Practicing Company Secretary, as Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of Business hours on Tuesday, 2nd August, 2011 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Members. The scrutinizer will submit his report to the chairman after completion of scrutiny and the results of the postal ballot shall be announced on 4th day the of August, 2011, at 3.00 P.M at the Branch office of the Company at # 1182, Ayyappa Society, Madhapur, Hyderabad and the said date of declaration of result of postal ballot will be taken as date of passing of the Resolution and shall be deemed to have been passed at a General Meeting of the Members.

Item No. 1 : - Issue Of Equity Shares On Preferential Basis As Per The Sebi (ICDR) Regulations, 2009:

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 Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) to or re-enactment thereof) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and in terms of the provisions of

the SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations") (including any amendment(s) to or re-enactment thereof) and subject to the approvals, consents, permissions and / or sanctions, as may be required from any appropriate authority, institution or body (hereinafter collectively referred to as the "the appropriate authorities") and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions (hereinafter referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee duly constituted by the Board or any Committee which the Board may have constituted or hereafter constitute, to exercise one or more of its powers including the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of equity shares of the face value of Rs.10/- each, ranking in all respects pari-passu with the existing equity shares of the Company, to non promoter and promoter group at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, on preferential allotment basis, so however that the value of the total number of shares so issued, at a price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 (including premium), aggregates to not more than Rs.2,00,00,000/- (Rupees Two Crore Only).

RESOLVED FURTHER THAT the price of the equity shares so issued shall be determined as per the Regulations issued by SEBI in this respect, i.e.

a) The average of the Weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange (Bombay Stock Exchange Limited) during the six months preceding the 'relevant date'.

OR

b) The average of the Weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange (Bombay Stock Exchange Limited) during the two weeks preceding the 'relevant date', whichever is higher.

FURTHER RESOLVED THAT the relevant date for the purpose of calculating the exercise price under Chapter VII of the SEBI (ICDR) Regulations, 2009 is June 24, 2011, being the date 30 days prior to the date of passing of this resolution

RESOLVED FURTHER THAT the said shares shall be ranked in all respects, pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 the fresh equity shares to be allotted shall be locked in for a period of one year from the date of allotment and that the equity Shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Mr. Srinivasa Reddy Arikatla, Vice Chairman & Managing Director, Mr. Amara Reddy Jadda, Director and Mr. Chandrakanth Gorak, Company Secretary be and are hereby severally authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, at its discretion deem necessary, desirable or expedient to effect the issue or allotment of

aforesaid securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of any of the said securities and to do all acts, deeds and things in connection therewith and incidental thereto as they may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Board or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Item No 2 : - To Consider And If Though Fit, To Pass With Or Without Modification(S), The Following Resolution As Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") [including any statutory modification or re-enactment thereof for the time being in force], and in partial modification of the Resolutions passed earlier in respect of payment of remuneration to Mr. Vijay S Chokshi , Whole Time Director of the Company, and subject to any approvals, consents, permissions or sanction of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, the consent of members hereby accorded to pay remuneration to Mr. Vijay S Chokshi , Whole Time Director of the company with effect from 01st September, 2011, at remuneration of Rs.1,00,000/- (Rupees One Lakh only) per Month upon the terms and conditions including perquisites and benefits as are set out in the letter is hereby approved by the Board of Directors (which includes its committee constituted for the purpose) to grant increments in salary and to alter, increase and vary from time to time the amount and type of perquisites and allowance to be provided to Mr. Vijay S Chokshi , Whole Time Director, within the applicable limits as specified in Schedule XIII of the Act or any amendments thereto."

"RESOLVED FURTHER THAT if in any financial year the company has no profits or its profits are inadequate, Mr. Vijay S Chokshi, shall be entitled to receive the same remuneration, perquisites and benefits as above, subject to compliance with the applicable provisions of Schedule XIII to the Act, if and to the extent necessary with the approval of the central government."

"RESOLVED FURTHER THAT Mrs. Malathy Bhimavarapu, Director of the company be and are hereby authorized severally to file the necessary forms and returns with the Registrar of Companies and other statutory authorities and to do all other things, acts and deeds as may be required."

NOTES:

1. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 setting out all material facts concerning the aforesaid special business and reasons thereof are annexed hereto.
2. The Notice is being sent to all the members, whose names would appear in the Register of Members as on 24th June, 2011.
3. A member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelop. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by Courier or by Registered Post at the expense of the Members will also be accepted. The envelope containing the Postal Ballot should reach the scrutinizer not later the close of business hours on Tuesday, 2nd August, 2011.
4. The Scrutinizer will submit his report to the chairman after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot shall be announced by the Chairman or in his absence by any other person authorized by the Chairman, on 4th August, 2011 at 3.00 P.M at the Branch Office of the Company at Plot No.1182, Opp. Ayyappa Society, Ayyappa Society, Madhapur, Hyderabad – 500 081 and the resolution will be taken as passed effectively on the date of

announcement of the result by the Chairman or such other authorised person in his behalf, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the resolution. Members who wish to be present at the time of declaration of the result may be present at the venue.

5. The date of declaration of result shall be deemed to be the date of passing of the said Resolution.
6. Subsequently the Result of the Postal Ballot will be published in at least one English and one vernacular language newspaper circulating in Mumbai, Maharashtra. The result of the postal ballot will also be displayed at website of the Company (www.ajel.in).
7. Members are requested to carefully read the instructions printed on the back of the Postal Ballot Form before exercising their vote.

Place: Mumbai
Date: June 24, 2011

By Order of the Board of Directors
For AJEL LIMITED



AMARA REDDY JADDA
Director

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

Item No. 1 Issue of Equity Share of the Company to Non-promoter group and Promoter group.

The Company proposes to issue Equity Share of the company as per guideline on Preferential Issue basis as prescribed by SEBI. The required information as per the provisions of the SEBI's guidelines is given below :-

A. Object of the Issue:

The object of issue for the further equity capital is to meet the working capital requirement for the existing operation and for the expansion of the company's business operations. Your company is engaged in the Information Technology and Consulting business and which is growing very fast. Mr. Sridhar Reddy Gireddy (Non-Promoter) has shown interest to infuse funds in the company and Mr. Srinivasa Reddy Arikatla (Promoter) have invested and also agreed to invest more to the extent of future growth of the company.

B. Intention of the Promoters to subscribe to the offer:

Proposed allottee Mr. Srinivasa Reddy Arikatla belongs to the promoter group and intend to subscribe for 13,18,344 equity shares of face value Rs.10/- and at a price of Rs.12.50/-. The company has received written consent towards their intention to the subscribe.

C. Pricing of the issue:

The pricing of the Equity Shares to be allotted to promoters/non promoters on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulations, 2009. 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) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the relevant date;

Or

b) The average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the relevant date.

The Relevant Date for the purpose of pricing of the Equity Shares shall be 24th June 2011 being the date which is 30 days prior to the date of the declaration of the result of the postal ballot i.e. 04th August, 2011.

The price shall be determined on the basis of the quotes available on Bombay Stock Exchange Ltd. website being the Stock Exchange having highest trading volume during the preceding six months prior to the relevant date.

d) Auditors' Certificate:

Since the price at which the Equity Shares would be issued to Promoters/non promoters cannot be exactly determined before issue of this notice to the shareholders since it depends on the average of the market prices prevailing in the preceding 2 weeks or 6 months of the relevant date as per the SEBI formula, the Auditors' certificate as required under Regulation 73(2) SEBI(ICDR) Regulation will be available for inspection at the Registered office of the Company between 11:00 A.M. and 1:00 P.M. on any working day except Saturday and public holidays from the Relevant Date (i.e. 24th June 2011) upto the last date for voting under postal ballot (i.e. 2nd August 2011) and shall also be available at the date of declaration of result of the postal ballot.

e) Lock in Period:

The proposed allotment shall be subject to lock in for a period of one year from the date of allotment. The promoter further undertakes that the entire pre-preferential share holding, if any, shall be locked in from the relevant date upto a period of 6 months from the date of preferential allotment

f) Undertakings:

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

1) 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.

2) if the amount payable on account of the re-computation 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.

g) Relevant Date:

Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, 2009 as amended up to date, for the determination of applicable price for issue of equity shares is 24th June, 2011.

h) Shareholding Pattern of the Company before and after the issue

Name of the Shareholders	Pre issue shareholding		Preferential Issue	Post Issue Shareholding	
	No. of Shares held	% of Shares	No. of Share	No. of shares held	% of Shares
(A) Promoters' Shareholding					
Promoter & Promoter Group					
(1) Indian					
(a) Individuals / HUF	5633708	55.50	1318344	6952052	58.57
(b) Central Govt. / State Govt.	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-
(d) Financial Institutions / banks	-	-	-	-	-
Sub Total (A) (1)					
(2) Foreign					
(a) Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-
(c) Institutions	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group					
(B) Public					

shareholding					
(1)Institutions					
(a) Mutual Funds/ UTI	-	-	-	-	-
(b) Financial Institutions / Banks	-	-	-	-	-
(c)Central Government/ State Government(s)	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-
(f) Foreign Institutional Investors	-	-	-	-	-
(g) Foreign Venture Capital Investors	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-
B 2 Non-institutions					
(a) Bodies Corporate	859881	8.47	-	859881	7.25
(b) Individuals					
(i) Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1436692	14.16	-	1436692	12.11
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2206674	21.74	400000	2606674	21.96
(c) NRI	13045	0.13	-	13045	0.11
Sub-Total (B)(2)	4516292	44.50	-	4916292	41.42
Total Public Shareholding (B)=	4516292	44.50	-	4916292	41.42

(B)(1)+(B)(2)					
TOTAL (A)+(B)	10150000	100	-	11868344	100

i) Proposed time within which the allotment shall be completed

The Board proposes to allot the equity share within a period of 15 days from the date of passing of the resolution by the shareholders or within 15 days from the date of approval of any regulatory authority, whichever is later.

j) The identity of the proposed allottees and the percentage of the preferential issue that may be held by them.

S.NO	Name of the Proposed Allottees	Category	Number of Shares	% of Shares on capital
1	Mr. Sridhar Reddy Gireddy	Non Promoters	400000	3.37
2	Mr. Srinivasa Reddy Arikatla	Promoters	1318344	11.10
TOTAL			1718344	

Item No. 2

The Board of Directors has recommended the remuneration of Mr. Vijay S Chokshi, Whole Time Director of the Company with effect from 1st September, 2011 upon the recommendation of the Remuneration Committee of the Directors and subject to the approval of the Members of the Company. The said remuneration is within the stipulations of Section 198, 269, 309 and 310 of the Act and Schedule XIII thereto. Members of the Company are requested to pass the above resolution as a Special Resolution.

The Board recommends the resolution for your approval. None of the Directors of the Company, except Mr. Vijay S Chokshi is interested in the resolution.

Place: Mumbai
Date: June 24, 2011

By Order of the Board of Directors
For AJEL LIMITED



J. Amara Reddy

AMARA REDDY JADDA
Director