

20 MICRONSTM

L I M I T E D

Registered Office: 9/10, GIDC Industrial Estate, WAGHODIA – 391 760 Dist. Vadodara, Gujarat, India.

Ph. : 02668 – 264077 Website: www.20microns.com E-mail: investors@20microns.com

NOTICE OF POSTAL BALLOT

(Pursuant to Section 192A(2) & other applicable provisions of the Companies Act, 1956)

To

The Members of 20 Microns Limited

NOTICE IS HEREBY GIVEN pursuant to Section 192A & other applicable provisions of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 that it is proposed to transact the business by passing resolutions through Postal Ballot:

PROPOSED RESOLUTIONS:

Item: 1

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

“RESOLVED THAT pursuant to the provisions of Section 17 and such other applicable provisions, if any, of the Companies Act, 1956 [including any statutory amendment(s)/modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time], the Memorandum of Association of the Company be and is hereby altered and extended *by inserting*, after the existing Clause 28 *under Clause III [C]*, the following *Clauses as Clauses 29 to 31*:

29. To carry on the business of manufacturing and marketing of pharmaceuticals and drugs, ayurvedic, formulations, cosmetics, diagnostics, health & hygiene related products, etc., as processors, job work, marketers, importers and exporters, wholesalers and retail druggists, manufacturers, makers, refiners, job work processors or formulators and to act as contract marketers, traders, dealers in pharmaceuticals, medicinal and therapeutic preparations or otherwise deal in patient medicines, veterinary products, sprits, drugs, accessories required or used in allopathic, homeopathic, ayurvedic, unani or nature cure or any other medicinal system or branch of medicines and preparations and generally to carry on the business of manufacturers, buyers, sellers and dealers, agent brokers, vendors, consultants and stockiest in all kinds of medicines and medical and pharmaceuticals preparations and drugs.
30. To carry on the business as manufacturers, buyers, sellers, distributors, agents, stockists, refiners, importers and exporters of and dealers in synthetic detergents, anionics, non-ionics, cat-ionics, both household and industrial applications, including emulsifiers and other surface active agents, soaps, soap powder, and other saponaceous sub-stances, starch, soda and raw and finished cosmetics and toilet preparations or requisites of fragrances and perfumery products flavouring including lotions, powder, lipsticks, astringents, aromatics, cream, deodorants, greases, glycerine, salves, ointments, cleansing agents and compounds, perfumes, unguents, hair dressings including hair oils, washers, shampoos, water softeners and salts, pomades, dyes, skin preparations, aerosol preparations, enzymes, oiloginous and vaporceous substances, beauty specialists, preparations and aids and accessories or every descriptions, whether medicated, anticeptic or not, ingredients or accessories thereof.
31. To carry on the business as manufacturers, dealers, exporters, importers, processors, buyers, sellers, stockists, distributors of all kinds of technical grade pesticides, formulations grade pesticides, agro chemicals, pesticides for plant protection, pesticides for public health, pesticides for household uses, neem based pesticides, bio – pesticides, insecticides, weddicides, fungicides, rodenticides, herbicides, micro nutrients, granules, fertilizers, bio – fertilizers, zinc sulphate, magnesium sulphate, ammonium sulphate, urea, ammonium nitrite and any other fertilizers, chemicals including petro chemicals and gases or any other allied products and other germs killing materials, all kinds of light chemicals, heavy chemicals, industrial chemicals, alkalies, emulsifiers, organic and inorganic chemicals, sulphuric acids, acids, hyrocloric acids, medicinal chemicals, drugs, essences, pharmaceuticals, cement, oil paints, pigments, varnishers, compounds, bye stuffs, colours, printing inks, luminum containers, plastic containers, tin containers, pet bottles, card board boxes, and allied activities of development printing, designing, corrugating and carrying on research and development, training and consultancy relating to all or any of the above trade.

“RESOLVED FURTHER THAT any one of Mr. Chandresh S. Parikh, Chairman and Managing Director, Mr. Sudhir Parikh, Director [Finance] and Mr. Nikunj Savaliya, Company Secretary be and is hereby authorised to carry out such changes as may be directed by the concerned Authority(s) including the Registrar of Companies, Gujarat while registering the above alterations in the Memorandum of Association and they are further authorised to do all acts, deeds, matters and things and to sign and execute all deeds, documents, instruments and writings on behalf of the Company to give effect to this resolution.”

Item: 2

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

“RESOLVED THAT, subject to resolution at item no. 1 being passed and pursuant to the provisions of section 149(2A) of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to carry on the *additional* business activities as covered under the Other Objects Clause Nos. III[C] 29 to 31 of the Memorandum of Association of the Company and the Board of Directors of the Company be

and is hereby authorized to take all such effective steps to implement the decision of the members of the Company as they may consider appropriate in the interest of the company and to do all such acts, deeds and things from time to time for and on behalf of the Company."

"RESOLVED FURTHER THAT any one of Mr. Chandresh S. Parikh, Chairman and Managing Director, Mr. Sudhir Parikh, Director [Finance] and Mr. Nikunj Savaliya, Company Secretary be and is hereby authorised to do all acts, deeds, matters and things and to sign and execute all necessary papers, documents, instruments and writings on behalf of the Company including filing of necessary forms to Registrar of Companies to give effect to this resolution."

Item: 3

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT in pursuance of Section 94,16,13 and other applicable provisions, if any, of the Companies Act, 1956, sanction of the Company be and is hereby accorded to an increase in the Authorised Share Capital of the Company from Rs. Rs. 20,00,00,000/- to Rs. 30,00,00,000/- *by creation of further 1,00,00,000 Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company and accordingly the existing Clause V of the Memorandum of Association of the Company shall be deleted and in its stead and place the following shall be substituted:*

V. The Authorised Share Capital of the Company shall be Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 Equity Shares of Rs. 10/- each."

"RESOLVED FURTHER THAT any one of Mr. Chandresh S. Parikh, Chairman and Managing Director, Mr. Sudhir Parikh, Director [Finance] and Mr. Nikunj Savaliya, Company Secretary be and is hereby authorised to do all acts, deeds, matters and things and to sign and execute all necessary papers, documents, instruments and writings on behalf of the Company including filing of necessary forms to Registrar of Companies to give effect to this resolution."

Item: 4

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

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("SEBI ICDR Regulations") and such other applicable provisions, the Board may at its absolute discretion, issue, offer and allot Equity Shares or any other financial instruments / Securities either convertible and/or non-convertible into Equity shares or giving the holder a right to subscribe to Equity whether attached to other securities or otherwise or any other securities (hereinafter collectively referred to as "**Securities**") or any combination thereof, whether secured by way of charge on the assets of the company or unsecured as may be decided by the Board, in one or more tranches of public and /or private offerings and /or qualified institutional placement and/ or on preferential allotment basis or any combination thereof through issue of prospectus and/or placement document and/or other permissible /requisite offer document, to any eligible person up to the amount of Rs. 75 Crores (as defined by the SEBI ICDR Regulations) whether or not such investors are existing members of the Company and such Securities shall be fully paid up pursuant to a Qualified Institutional Placement, in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations and the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which Board of Directors decides to open the proposed issue and such securities shall be fully paid up and the allotment of such securities shall be completed within 12 (twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI ICDR Regulations and approved by the Board of Directors from time to time, at such price being not less than the price determined in accordance with the pricing formula of the afore mentioned SEBI ICDR Regulations and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion and wherever necessary in consultation with Lead Managers in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard."

"**RESOLVED FURTHER THAT** no allotment of equity shares in breach of the maximum permissible limit set for FII investment into the company shall be made and that the allotment of equity shares shall comply with all the applicable rules and regulations in this regard."

"**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

- (a) The Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) The relevant date for the purposes of determining the floor price of the Securities in accordance with the SEBI ICDR Regulations would be the date in which the Board decides to open the proposed issue.
- (c) The Equity Shares proposed to be issued shall rank pari passu in all respects including entitlement to dividend with the existing equity shares of the Company.

"**RESOLVED FURTHER THAT** the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to, and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/ guidelines/ statutory provisions."

"**RESOLVED FURTHER THAT** the issue to the holders of the Securities underlying the Securities, which are convertible into or exchangeable

with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Securities, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro rata;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Securities, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted;
- (d) in the event of consolidation and/or division of outstanding shares into smaller number of shares (including by the way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approvals, consents, permissions, if any, from any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any other, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, in respect of any Securities as may be required either on pari-passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, enter into arrangements including arrangements for the Lead Managers, Underwriters, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more stock exchange(s) (national or international) and to do all requisite filings with SEBI, the Government of India, the RBI, if required and any other concerned authority in India or outside, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all shareholders."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offer documents."

Item: 5

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders of the Company in their 21st Annual General Meeting held on 29.05.2008, in terms of the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, Consent of the members be and is hereby accorded to the Board of Directors [hereinafter to be referred to as "the Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board of Directors to exercise its powers including the powers vested and conferred by this Resolution] for borrowing, on behalf of the Company, any sum or sums of money from time to time as they may consider fit, in any manner and without prejudice to the generality thereof, by way of loan(s), advance(s), credits, acceptance of deposits or otherwise in Indian Rupees or any other foreign currency(s), from any Bank(s) and/or Financial Institution(s) and/or other person(s) and whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including un-called capital, stock-in-trade [including raw materials, stores, spares and components in stock or stock in transit], notwithstanding that the money to be borrowed together with the money already borrowed by the Company [apart from temporary loans obtained from the Company's Banker(s) in the ordinary course of business] and remaining un-discharged at any given time, will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes so however that the total amount upto which money may be borrowed by the Board under this resolution, at any one time shall not exceed, in the aggregate, the sum of Rs. 200 Crores (Rupees Two Hundred Crores) and/or in equivalent foreign currency."

"RESOLVED FURTHER THAT the Board be and is hereby authorised, to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution."

Item: 6

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders of the Company in their Extra – Ordinary General Meeting held on 25.06.1998, the Consent of the Company be and is hereby accorded pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time and the rules made thereunder to the Board and/or Committee of Directors of the Company [hereinafter to be referred to as "the Board"] for mortgaging and/or charging, on such terms and conditions as the Board may deem fit, all or any part of the immovable and/or movable property(s) of the Company whatsoever situate, both present and future, and the whole or the part of the undertaking(s) of the Company [save and except the current assets that may be hypothecated and/or pledged in favour of the Banker(s) and/or Financial Institution(s) of the Company for securing borrowings for working capital requirements in the ordinary course of the business in favour of one or more Bank(s), Financial Institution(s), Mutual Fund(s) or Trustee(s) of Debenture Holders and/or any other person(s) or Bodies Corporate(s) in order to secure, term loan(s), deferred payment credit, debenture(s) and/or any other loan(s) borrowed or to be borrowed for a sum not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only) (over and above the paid up capital and reserves of the Company), together with the interest(s) at the agreed rates, compound/additional interest/commitment charges; premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in terms of any loan agreement, deed of agreement, letter of sanction, memorandum of terms and conditions, debentures trust deed entered into or to be entered into by the Company, in respect of such borrowings."

"RESOLVED FURTHER THAT the Board of the Directors be and is hereby authorised to finalize with such Bank(s), Financial Institution(s), Mutual Fund(s) or Trustee(s) of Debenture Holders and/or any other person(s) or Bodies Corporate(s) the required documents for creating and/or modifying the aforesaid mortgage and/or charge and to do all such acts, deeds, matters and things as may be necessary, usual or expedient for giving effect to this resolution and also to agree to any amendment(s) thereto from time to time as it may in its absolute discretion think fit and proper in the interest of the Company and for the purposes aforesaid also to delegate all or any of the above powers to Management/Finance Committee of Directors of the Company for the purpose of implementation of the aforesaid Resolution."

Item: 7

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

"RESOLVED THAT pursuant to the provisions of the Section 314 and all other applicable provisions of the Companies Act, 1956 and the rules made thereunder read with the circular(s)/notification(s) issued and amended from time to time by the Ministry of Corporate Affairs in this behalf, the Company hereby approves of confirms and consents to Mr. Lalit R. Parikh, holding and continuing to hold an office or place profit as General Manager (Commercial) of the Company on the existing annual salary not exceeding Rs. 21.70 Lacs with effect from 01st October, 2011 with liberty to the Board and/or Committee of Directors to sanction increments not exceeding the present permissible limit of Rs. 30 Lacs p.a. or such other amended limit from time to time or withdraw the same as the Board and/or Committee of Directors in their absolute discretion deem fit."

Registered Office: -
9/10, GIDC Industrial Estate,
Waghodia – 391760
Dist. Vadodara, Gujarat, India

By Order of the Board of Directors,

Nikunj Savaliya
Company Secretary

Dated: 13th January, 2012

NOTES:

1. In terms of the applicable provisions of the Companies Act, 1956 proposals mentioned at items 1 to 7 require the approval of the members by way of Special/Ordinary Resolutions.
2. In terms of Section 192A of the Companies Act, 1956 read with Clause 5 of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, Special Resolutions at Item No. 1 & 2 and Ordinary Resolution at Item No. 6 requires the approval of the Members of the Company by means of a Postal Ballot.
3. The Company has appointed Mr. Vithaldas D. Talati, Practising Company Secretary as a Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.
4. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return duly completed form in the attached self addressed postage pre-paid envelope so as to reach to the Scrutinizer on or before the close of working hours on 20.02.2012.
5. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballots received.
6. The Chairman & Managing Director or Director (Finance) or the Company Secretary of the Company will announce the result of the Postal Ballot on Thursday, the 23rd day of February, 2012 at 3.00 p.m at the Company's Registered Office at 9/10, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara, Gujarat, India.
7. The Result will be displayed at the Registered Office, Head Office and at the Company's website, besides being communicated to the Stock Exchanges on which the Company's Equity shares are listed.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Items 1 & 2:

The Company is presently engaged into manufacturing and trading of Non-metallic Industrial Minerals, which makes the business of the Company volume driven. Since last 3 years, the Company has been consistently utilizing all the manufacturing facilities across 8 plants at almost 100% capacity levels. There is a huge demand for industrial mineral products in the Indian as well as in Global market and in order to meet the said demand, apart from 100% utilization of manufacturing capacities, the Company is required to depend on third party manufacturers for manufacturing of certain products of the Company.

To meet this increasing need of Industrial Minerals, the Board of Directors has been reviewing policies and strategies for expansion of operations and up gradation of existing manufacturing facilities of the Company keeping in mind following reasons/advantages:

- Cater to consistently growing demand for industrial mineral as well as Specialized Chemical products;
- Reduce dependence on third-party manufacturers;
- Achieve higher profitability due to Economies of Scale;
- Maintaining Quality of Products through greater control on Manufacturing operations;
- Increase bottom line by replacing out sourced material by own manufactured products where margins are much higher.
- Up gradation of manufacturing facilities involves automation and/or increase size of the processing plant deploying latest technologies, which would not only reduce overall power cost, manpower cost and wastage but will also add to overall profitability of the Company by improving operating margins substantially and meeting the growing demand on time;
- Greater automation would help the Company to maintain the consistency in quality / particle size of products of the Company; and
- Overall operating margins would increase as there is greater margin in manufacturing operations as compared to trading / outsourcing of Minerals.

With a view to enlarge its business activities, the Board of Directors of the Company at their Meeting held on 22.10.2011 have after careful consideration accorded its consent to expand the operations of the Company by up gradation of existing manufacturing facilities, addition of new locations in the manufacturing capacities of the Company and carrying on additional activities of Pharmaceuticals, Agro Chemicals and Surfactants i.e. Soaps, Toiletries etc.... as the same would be advantageous to the Company, subject to all necessary and mandatory formalities and approvals.

In terms of the provisions of Section 17 of the Companies Act, 1956 being alterations in the objects of the Memorandum of Associates of the Company and Section 149[2A] of the Companies Act, 1956 being commencement of additional activities as per the alterations in the Memorandum of Association, as aforesaid, approval of the Shareholders is required and therefore your Directors commend the Special Resolutions at items 1 & 2 for your approval and acceptance.

None of the Directors of the Company may be considered to be concerned or interested in passing of the said resolutions.

Item 3:

The Directors of the Company have been thinking for quiet some time past to increase its authorised share capital because the last increase from Rs. 15 Crores to Rs. 20 Crores was made in the year 2000. Since then at the time of IPO, 16.76 Lacs shares have been allotted. The turnover of the Company which was Rs. 179.99 Crores in the year 2010 has risen to Rs. 240.72 Crores in the year 2011. The increase in authorised share capital will enable the Directors to issue share capital to the extent required when the situation warrants for the same. It is therefore justifiable to increase the authorised share capital from Rs. 20 Crores to Rs. 30 Crores.

Besides, with the growing expansion of the Company's business, it is desirable to increase the existing Authorised Share Capital from Rs. 20 Crores to Rs. 30 Crores to maintain proper co-relation with the magnitude of the Company's resources.

In terms of the provisions of Sections 94, 16 and 13 of the Companies Act, 1956 being increase in the Authorised Share Capital of the Company and as a sequel to the same, alterations in Clause V of the Memorandum of Association of the Company, as aforesaid, approval of the Shareholders is required and therefore your Directors commend the Ordinary Resolution at item 3 for your approval and acceptance.

None of the Directors of the Company may be considered to be concerned or interested in passing of the said resolution.

Items 4 to 6:

With a view to carry on and implement the activities effectively and efficiently as envisaged in terms of Special Resolutions at items 1 & 2 above, the Company would require sizable funds. Considering future funds requirements of the Company, it is proposed to :

- Issue, Offer and Allot Equity Shares or Securities up to the amount of Rs. 75 Crores to Qualified Institutional Buyers, to meet with part of the funding requirements to the extent of Rs. 75 Crores for expansion of operations of the Company as stated above, it was decided to raise funds by way of further issue of securities in Domestic/International Markets through various instruments including issue of Equity Shares/ Warrants/ Convertible or Non-convertible Debentures under Qualified Institutional Placements or Private Equity or any other forms of Capital raising instruments.
- Increase the Borrowing and Mortgaging Limits from Rs. 100 Crores each to Rs. 200 Crores each as the Company may approach Bank(s) and/or financial Institution(s) for availing credit facilities and for the purposes of borrowing and mortgaging, it was decided to increase the respective limits of borrowing and mortgaging of properties to the extent of Rs. 200 Crores. It is very clear that Mortgaging of the properties of the Company does not tantamount to dispose off the Undertaking(s) as envisaged by Section 293 (1) (a) of the said Act.

In terms of the provisions of Sections 81 (1A) ; 293 (1) (a) & (d) of the Companies Act, 1956 being respective proposals as narrated above, approval of the Shareholders is required and therefore your Directors commend the Special and Ordinary Resolutions at items 4 to 6 for your approval and acceptance.

None of the Directors of the Company may be considered to be concerned or interested in passing of the said resolutions.

Item 7:

Mr. Lalit Rameshkant Parikh, a brother of Mr. Sudhir R. Parikh, Director (Finance) possesses exceptional organizational capacity and ability in the filed of purchase of IT/Computers, Laboratory Equipments, Implementation of ISO and liasioning with ISO team during regular Audit and has significantly contributed in finalization of commercial various terms. In order to strengthen the Commercial department, it is proposed to appoint him as General Manager (Commercial) of the Company.

The Board of Directors of the Company at their Meeting held on 22.10.2011 have decided to appoint Mr. Lalit R. Parikh as General Manager (Commercial) w.e.f. 01.10.2011 with Salary of Rs. 21.70 Lacs p.a., subject to approval of shareholders, with a liberty to the Board of Directors and/or Finance Committee of Directors to revise his salary within the overall permissible limit as prescribed in Director's Relative (Office or place of profit) Rules, 2003 as amended from time to time.

Under sub-section (1B) of section 314 of the Companies Act, 1956, it is necessary to obtain the consent of the Company by a special resolution for holding or continuing to hold office or place of profit under the Company in any such office or place of profit carrying a total monthly remuneration exceeding Rs. 2,50,000.

Except Mr. Sudhir R. Parikh, none of the other Directors of the Company may be considered to be concerned or interested in passing of this resolution.

Your Directors commend the special resolution at Item No. 7 for your approval and acceptance.

Registered Office: -
9/10, GIDC Industrial Estate,
Waghodia – 391760
Dist. Vadodara, Gujarat, India

By Order of the Board of Directors,

Nikunj Savaliya
Company Secretary

Dated: 13th January, 2012

20 MICRONSTM

L I M I T E D

Registered Office: 9/10, GIDC Industrial Estate, WAGHODIA – 391 760 Dist. Vadodara, Gujarat, India.

Website: www.20microns.com email: investors@20microns.com

POSTAL BALLOT FORM

(Please read the Instructions carefully before completing this form)

Serial No.

(1) Name(s) of Member(s) :
(Including Joint holders, if any)

(2) Registered address of the Sole / :
First named Member

(3) Registered Folio No. / :
DP ID No. and Client ID No.*
(*applicable to Members holding
Shares in dematerialized form)

(4) Number of Shares held :

(5) I/we hereby exercise my/our vote in respect of the Resolution(s) to be passed through Postal Ballot for the business stated in the notice of the Company by sending my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special Resolution for Alteration in Other Objects of the Memorandum of Association.			
2.	Special Resolution for commencement of Additional activities in terms of the above.			
3.	Ordinary Resolution for increasing the Authorised Share Capital up to Rs. 30 Crores.			
4.	Special Resolution for Issue of Shares to the extent of Rs. 75 Crores.			
5.	Ordinary Resolution for increasing the Borrowing Limits up to Rs. 200 Crores.			
6.	Ordinary Resolution for increasing the Mortgaging Limits up to Rs. 200 Crores.			
7.	Special Resolution for appointment of Mr. Lalit R. Parikh as office or place of profit.			

Place:

Date:

(Signature of the Member)

Note: Last date for receipt of Postal Ballot Forms by the Scrutinizer is 20th February, 2012.

INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted to be used for the purpose) and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier at the expense of the Member will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Company.
3. This form should be completed and signed by the Member. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited/Central Depository Services (India) Limited to the Company in respect of shares held in the physical form or dematerialized form respectively) by the first named Member and in his/her absence, by the next named Member. In case of other than Individual Members, this form should be signed by an authorised signatory whose signature is already registered with the Company.
4. In case of shares held by Companies, Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authorization giving requisite authority to the person voting on the Postal Ballot Form.
5. There will be one Postal Ballot Form for every Registered Folio/Client ID, irrespective of the number of joint Members.
6. The right of the voting by Postal Ballot shall not be exercised by a proxy.
7. Unsigned, incomplete or incorrectly ticked Postal Ballot Forms will be rejected.
8. Duly completed Postal Ballot form should reach the Scrutinizer not later than the close of working hours on 20th February, 2012. All Postal Ballot Forms received after this date will be strictly treated as if the reply from the Member(s) has not been received.
9. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified at Sr. No. 8 above.
10. The voting rights shall be reckoned on the paid up value of shares registered in the name of the Member(s) on the date of completion of dispatch of the Notice.
11. Member(s) are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope as such envelope will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. Scrutinizer's decision on the validity of the Postal Ballot will be final.
13. The result of the Postal Ballot will be displayed at the Registered Office, Head office and Corporate Office of the Company as specified in the Notice. The result will thereafter be posted on the Company's website www.20microns.com, for the information of the Members.