



IOL CHEMICALS & PHARMACEUTICALS LIMITED

Regd. Office : Trident Complex, Raikot Road, Barnala.

POSTAL BALLOT NOTICE

Dear members,

Notice is hereby given that pursuant to Section 192A of the Companies Act, 1956 (the 'Act') read with Companies (passing of the resolution by postal ballot) Rules, 2011, the Company is seeking consent of its members in respect of special business, which it proposes to pass through Postal Ballot by way of following special resolution.

Mr. Vinay Kohli, Practising Chartered Accountant, has been appointed as Scrutinizer for conducting the postal ballot in a fair and transparent manner. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (No other Form or photocopy is permitted) duly completed, in the attached self addressed postage prepaid envelope so as to reach the Scrutinizer upto 5:30 pm on or before Monday, 28 January 2013. Any response received after 28 January 2013 shall be treated as if no response is received from the member in terms of Rule 6(f) of the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. The Scrutinizer will submit his report to the Company after completion of the scrutiny and result of the Postal Ballot shall be announced on Wednesday, 30 January 2013 at the Registered Office of Company and through a Press Release.

The date of announcement of result shall be considered as date of passing of resolution contained in this postal ballot notice.

Special Business:

Alteration in Articles of Association

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

*RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act 1956 and provisions of all other laws and regulations, the Articles of Association of the Company be and is hereby modified / altered as under:

I. Following Definitions in existing Article 2 shall be inserted:-

"Manager" means an individual who, subject to the superintendence, control and direction of the Board of directors, has the management of the whole, or substantially the whole, of the affairs of a company and includes a director or any other person occupying the position of a manager, by whatever name called and whether under a contract of service or not.

"Debenture" includes debenture stock bonds and other securities of the company whether constituting a charge on the assets of the company or not.

"Securities" means as defined in clause (h) of section 2 of the securities contracts regulation act 1956

"Registrar & Share Transfer Agent" means any person, who on behalf of the Company maintains the record of holders of securities issued by the company and deals with all matters connected with the transfer, transmission, dematerialisation, rematerialisation and redemption of securities of the Company or any other connected matter;

"Corporate Advisory Team" means the Corporate Advisory Team of the Company constituted by the Board of Directors in terms of these Articles

II. Following definition shall be deleted from existing Article 2

-Definition of "Chief Executive Officer"

III. Existing Article 5 shall be substituted with following Article 5:

5. The authorised share capital of the company shall be as mentioned in clause v of the Memorandum of Association of the company as altered from time to time.

IV. Existing Article 54 shall be substituted with following Article 54:

54. All instruments of transfer of shares/debentures which have been registered shall be retained by the Company/ Registrar & Share Transfer Agent of the Company but any instrument of transfer of shares/debentures which the Directors may decline to register shall be returned to the person depositing the same. The Directors may, however, cause to be destroyed all instruments of transfer lying with the Company after such period from the date of approval of instruments of transfer as decided by the Board subject to the provisions of the Act.

V. Existing Article 91 shall be substituted with following Article 91:

91. Notice of every meeting shall be given to every member of the Company in any manner authorized by sub section (1) to (4) of section

53 of the Act and by these Articles and / or by electronic mail after following procedure as laid by the competent authority from time to time or by any other mode as may be prescribed. It shall be given to the persons entitled to a share in consequences of a death or insolvency of a member by sending it through the post or by any other mode as may be prescribed to them by name or by the title of the representatives of the deceased or the insolvent or any other like description at the address if any in India supplied for he purpose by the person claiming to be so entitled or until such an address had been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred

VI. Existing Article 113 shall be substituted with following Article 113:

113. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or through e-voting or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 139 hereof.

VII. Existing Article 114 shall be substituted with following Article 114:

114. Subject to the provisions of the Act (particularly of Section 87, 88 and 92 (2) thereof) and of these articles:

1. Upon a show of hands every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a Company as mentioned in Article 139) shall have one vote;
2. Upon poll/ e-voting the voting right of every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a Company present as aforesaid) or by proxy or by e-voting shall be in the same proportion as the capital paid on the Equity share or shares (whether fully paid-up or partly paid-up) held by him bears to the total paid-up Equity capital of the Company;
3. Upon a show of hands or upon poll/ e-voting, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.

VIII. Existing Article 115A shall be substituted with following Article 115A:

115A. On poll/ e-voting taken at a Meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

IX. Existing Article 146 shall be substituted with following Article 146:

146. Subject to the provisions of section 255 of the Act and of these articles, all the Directors on the Board of the company shall retire from office at the completion of the annual general meeting of the company.

The retiring Directors shall be deemed to have held office till the conclusion of the Annual General Meeting and adjournment, if any, thereof.

X. Existing Article 156 shall be substituted with following Article 156:

156. The Secretary shall as and when directed by the Chairman or Managing Director or a Director or Directors to do so convene a meeting of the Board by giving a notice in writing to every Director.

XI. Existing Article 159 shall be substituted with following Article 159:

159. The Board shall appoint from amongst its member a Chairman

XII. Following Article 162 B shall be inserted immediately after Article 162 A of the Articles of Association:

162B (1) The Board of Directors shall constitute (which shall include its terms and conditions and modifications thereof from time to time as the Board thinks fit) a Corporate Advisory Team to provide non binding recommendation(s)/suggestion(s) to the Board on the following matters:

- a) Any amendment to the Memorandum or Articles of Association of the Company in any manner.
- b) Merger, Amalgamation or Consolidation of the Company with any other entity or restructuring of company .
- c) Appointment, Re-appointment, Removal of Statutory Auditor/ Cost Auditor/Internal Auditor.
- d) Approval of annual accounts of the Company

- e) Change in Financial Year or Tax year of the Company.
- f) Change in material accounting or tax policies or practices except where they are required by law.
- g) Sale, lease or otherwise disposal off any undertaking of the Company
- h) Disinvestment of shares of any subsidiary
- i) Shifting of Registered Office
- j) Any change in Financial Year for preparation of audited Accounts
- k) Any sale or transfer of assets of the Company of a value exceeding Rs 10 million in any period of 12 month (including the value of any liabilities transferred).
- l) Any recapitalization, any change in authorized or issued share capital of the Company, whether by way of a issue of shares, buy-back of shares otherwise than from Specified investor or reduction of capital or otherwise.
- m) Any dissolution, winding up or liquidation of the Company and /or its Subsidiaries (including taking any steps or passing any resolution towards the same).
- n) Any transactions with any Connected Person/Concern of an aggregate value in excess of Rs. 10 million (per Connected Person/Concern per annum).
- o) Entry into any lines of Business other than the existing Business.
- p) Appointment, renewal, termination, powers, roles and responsibilities and variation in terms and conditions of Managing Director, Whole Time Director and key managerial personnel heading the key functions of the Company.
- q) Borrowing money in excess of paid-up share capital and free reserves of the Company.
- r) Investment of the funds of the company or any proposal to enter into any JV / alliance etc.
- s) Making of loan, providing any security or guarantee to any person.
- t) Any other matter enumerated in Article 169 or Article 170 of Articles of association of the company
- u) To provide non binding recommendation / suggestions on any other matter as may be assigned or and to do other acts as may be required by the Board from time to time

(2) The Corporate Advisory team shall be entitled to receive such information from the company as the team considered necessary to perform the matters assigned to it.

XII. Existing Article 172A shall be substituted with following Article 172A:

172A. 1. The Company may by way of a resolution passed in its meeting of the Board of Directors and being approved by the shareholders either in a general meeting convened for this purpose or through passing of a resolution by means of postal ballot, appoint a person as the Managing Director or Manager of the Company. Provided that the Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel as required by this Act namely:

- a. Managing Director; and
- b. Manager

2. In case the Company doesn't have a Managing Director and has instead appointed a Manager of the Company, as mentioned under Article 172A(1) above, any reference in these Articles to the Managing Director shall, subject to the provisions of the Act and this Article and unless the context thereof restricts such interpretation or intends otherwise deem to include such Manager

XIII. Existing Article 173 shall be substituted with following Article 173:

173. The Managing Director or Wholetime Director shall be Executive Director of the Company. A Managing Director or Wholetime Director shall not while holding that office be subject to retirement by rotation but he shall be taken into account in determining the number of Directors to retire by rotation.

XIV. Existing Article 179 shall be substituted with following Article 179:

179. Subject to the provisions relating to the issue of Share Certificates, every deed, document, agreement, writings or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a person duly authorised by the Board/ Committee of Board in this behalf, be signed by the Managing Director or Wholetime Director or by two Directors; provided nevertheless that Certificates of Debentures may be

signed by one Director only or by the Secretary of the Company or by a person duly authorised by the Board in this behalf and Certificates of Shares shall be signed as provided in these Articles.

XV. Existing Article 191 shall be substituted with following Article 191:

191. Unless otherwise directed any dividend may be paid by direct credit to registered Bank Account of the member or by cheque or warrant or draft sent through post to the registered address of the member or person entitled to the share or in the case of joint-holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant or draft shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or draft lost in transmission how remitted or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

XVI. Following Article shall be inserted immediately after Article 226 of the Articles of Association:

227. Social Objective

The company shall have among its objectives the promotion and growth of the national economy through increased productivity effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques and moral responsibilities to the consumers employees shareholders society and the local community .

By Order of the Board
For IOL Chemicals and Pharmaceutical Limited

Place: Barnala

Date: 10 November 2012

Sd/

(Krishan Singla)

Vice President and Company Secretary

Notes :

1. An explanatory statement pursuant to section 173(2) read with section 192(A) of the Companies Act, 1956 in respect of the special bussiness, postal ballot form and self addressed postage pre-paid envelope are annexed hereto.
2. Please read carefully the instructions print in the postal ballot form.
3. The notice is given to all the members, whose names Appear in the register of members as on 10 November 2012.

Explanatory Statement pursuant to Section 192A(2) and Section 173(2) of the Companies Act 1956.

In the recent past, The Ministry of Corporate Affairs has also Come up with various circulars, notifications & guidelines and has reformed the existing rules and regulations governing corporate india. Due to these and other corporate developments over a period of time and in order to remove unintended ambiguity, if ay, certain clauses of Articles of Association of the Company need to be ameded/modified/ deleted /inserted.

For change in the articles of Association, approval of shareholder is required. Hence the board recommends the resolution for your approval by way of special resolution.

None of the directors is personally interested in the above resolution

By Order of the Board
For IOL Chemicals and Pharmaceutical Limited

Place: Barnala

Date: 10 November 2012

Sd/

(Krishan Singla)

Vice President and Company Secretary