



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

Regd. Office : SCO 183, First Floor, Sector 26, Madhya Marg, Chandigarh-160019, INDIA.

Tel: 0172-5008300/5008301, Fax: 0172-2790160, Email: info@punjabchemicals.com, Website: www.punjabchemicals.com

Ref: PCCPL/SE/

Date: 16.12.2013

BY COURIER

The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, New trading wing, P.J Towers
Dalal Street Fort
MUMBAI-400 001
Scrip Code: 506618
Tel No.: 022-22728073

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
MUMBAI-400 051
Scrip Symbol: PUNJABCHEM
Tel No.: 022-26598235/26598458

Sub: **Notice of Postal Ballot.**

Dear Sirs

Please find enclosed herewith 3 copies of Notice of Postal Ballot dated 29th November, 2013 sent to the shareholders of the Company.

Please note that the announcement of the result of the Postal Ballot will be made on 21st January, 2014.

This is for your information and record please.

Thanking you,

Yours faithfully
For **PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED**


(CS PUNIT K ABROL)
SR. V.P. (FINANCE) & SECRETARY

Encl: A/a.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Registered Office: SCO: 183, 1st Floor, Sector – 26,
Madhya Marg, Chandigarh – 160019.

NOTICE

Dear Member(s),

NOTICE is hereby given pursuant to Section 192A (2) of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 as well as the Companies Act, 2013 read together with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011 (including any statutory modification or re-enactment thereof for the time being in force), for seeking the consent of the members of the Company under Section 180(1)(a) of the Companies Act, 2013 (earlier Section 293 (1) (a) of the Companies Act, 1956) to transfer by way of lease or by any other feasible and appropriate manner, one of the units of the Industrial Chemicals Division of the Company situated at E-51/1, 51/2 and 52, MIDC, Tarapur, Boisar-401506, District-Thane, Maharashtra (hereinafter referred to as "Business Undertaking") including all the intangibles, plant, machinery and building built up therein to UPL Limited (formerly known as "United Phosphorus Limited" having CIN L24219GJ1985PLC025132).

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (earlier Section 173 of the Companies Act, 1956) pertaining to the said resolution setting out all the material facts and the reasons thereof along with the requisite Postal Ballot Form (hereinafter referred to as the "Form") and the self addressed postage prepaid envelope are enclosed for your consideration.

The Board of Directors of the Company have appointed Shri S.K. Sharma of M/s S.K. Sharma & Associates, a Practicing Company Secretary of Chandigarh, as Scrutinizer (hereinafter referred as the "Scrutinizer") for conducting the postal ballot process in a fair and transparent manner. The Scrutinizer's decision on the validity of Postal Ballot shall be final and binding.

You are requested to read carefully the instructions printed on the reverse of the Form, record your assent (for) or dissent (against) therein and return the same in original (photocopy not allowed), duly completed and signed, in the enclosed self addressed postage pre-paid envelope so as to reach the Scrutinizer at the Registered Office of the Company, not later than the close of working hours i.e 5:30 p.m. on Friday, the 17th January, 2014 to be eligible for being considered, failing which it will be strictly treated as if no reply has been received from the Member. Accordingly, Members are requested to send duly completed Forms well before the above said date providing sufficient time for postal transit.

The Scrutinizer will submit his final report on Tuesday, the 21st January, 2014 to the Chairman or any person authorized by the Board of the Company after completion of the scrutiny of the Forms and the results will be announced on the same day as mentioned above at the Registered Office of your Company at 3 p.m. The said result will be displayed at the Registered Office of the Company and also intimated to the Stock Exchanges where the Company's shares are listed, as well as published in the newspapers and shall also be displayed on the Company's website i.e. www.punjabchemicals.com.

In the event, the proposed resolution is assented to by a requisite majority of the members by means of Postal Ballot, these shall be deemed to have been duly passed at a general meeting convened in that behalf. Therefore, the Members, if they so wish, may remain present at the time of declaration of the result and the date of declaration of result shall be deemed to be the date of passing the said resolution.

Item No. 1: To transfer Tarapur Unit of Industrial Chemicals Division of the Company by way of lease or by any other feasible and appropriate legal manner.

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 180 (1) (a) of the Companies Act, 2013, Section 192A of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 as well as the Companies Act, 2013 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Memorandum and Articles of Association of the Company and any other law for the time being in force and subject to such other approvals, consents, permissions and sanctions as may be necessary from the concerned statutory authorities, regulatory bodies and lenders and subject further to such other term(s), condition(s), stipulation(s), alteration(s), amendment(s) or modification(s) as may be required, specified or suggested by any of such authorities, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") which expression shall also include any Committee, which the Board may have constituted or hereinafter constitute to exercise its power including the power conferred by this resolution and with the power to delegate such authority to any person or persons) to transfer by way of lease or any other feasible and appropriate legal manner, as a whole or in parts, one of the units of the Industrial Chemicals Division of the Company situated at E-51/1, 51/2 and 52, MIDC, Tarapur, Boisar-401506, District-Thane, Maharashtra (hereinafter referred to as "Business Undertaking") including all the intangibles, plant, machinery and building built-up therein to UPL Limited (formerly known as "United Phosphorus Limited") (hereinafter referred to as "UPL"), an Indian Company having its Corporate office at Uniphos House, 11th Road, Khar West, Mumbai 400 052 on such rent plus reimbursement of the operating and any other expenses as may be agreed upon between the parties, for a term, as a whole or on renewal basis after fixed intervals, as may be decided by the Board of the Company from time to time, but not exceeding 20 years at any occasion and further subject to other terms and conditions as may be stipulated in the Agreement/ (s) to be entered by the Company with UPL.

RESOLVED FURTHER THAT the Board of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing and varying the terms and conditions to transfer the Business Undertaking by way of lease or any other feasible and appropriate legal manner and to sign and execute, deliver and perform agreements (including but not limited to Sub-lease Agreement, facility agreements, Tripartite Agreement etc.), contracts, deeds, undertakings, and other documents, file applications and make representations in respect thereof and to seek the requisite approvals from the relevant authorities including lenders, and to take all necessary steps in the matter as it may in its absolute discretion deem necessary (including but not limited to change/ alter the Commencement Date, appointment of consultants, solicitors or any other agencies), desirable or expedient to give effect to the above resolution, and to settle any question that may arise in this regard and incidental thereto, 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.

RESOLVED FURTHER THAT the Board be and are hereby authorized to delegate all or any of the powers herein conferred, to any Committee, Director (s) or any other Officer (s)/ Authorized Representative (s) of the Company to give effect to the aforesaid resolution."

By order of the Board
For Punjab Chemicals and Crop Protection Limited

Sd/-

Place: Chandigarh
Date: 29th November, 2013

Punit K Abrol
Sr. VP (Finance) & Secretary

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

(earlier Section 173 of the Companies Act, 1956)

ITEM NO. 1

Your Company (having CIN No. L24231CH1975PLC003603) is engaged in the business of manufacturing and trading of Agro Chemicals, Pharma Intermediates, Speciality Chemicals and other Organic and Inorganic Chemicals and has the following divisions, namely:

- Agro Chemicals Division at Derabassi
- Pharma Division at Lalru
- Industrial Chemicals Division at Tarapur and Pune
- Agro-Formulation Division at Ratnagiri and Baroda

As informed earlier, the Management of the Company has been reviewing its business portfolio and product basket so as to focus on its core business and channelize the funds to the profitable products to augment the viability of the Company in the long term. In this exercise, it has been observed that the Tarapur Unit of Industrial Chemicals Division of the Company (hereinafter referred to as "Business Undertaking", which means and include all the intangibles, plant, machinery and buildings therein situated at Plot No. E-51/1, 51/2 and 52, MIDC, Tarapur, Boisar-401506, District-Thane, Maharashtra, set up on a land taken on lease from MIDC for 99 years) is operating below the breakeven level due to working capital shortage and slack in demand for the finished products being manufactured there. Moreover, the aforesaid Business Undertaking is facing difficulty in meeting the plant overheads, which in turn is severely affecting the performance of the Company as a whole, and increasing the loss on quarter to quarter basis. The profitable operations of this Business Undertaking may require substantial investment in terms of working capital, technical expertise and manpower, which is possible only if the Company compromises with its core business.

The share of the Business Undertaking in the Revenue and Profit before Tax (PBT) of the Company as a whole is given below:

Rs. in lacs

Particulars	FY 2011-12 (18 months) (Audited)		FY 2012-13 (6 months) (Audited)		FY 2013-14 (April-Sept., 2013) (Un-audited)	
	Company	Business Undertaking	Company	Business Undertaking	Company	Business Undertaking
Revenue	54894	6650	20441	789	22438	1170
PBT	(8971)	(459)	(207)	(670)	394	(633)

Therefore, in order to revive the Company and to make it profitable in the long run, the Management contemplated to transfer the Business Undertaking as a whole or in parts, by way of lease or any other feasible and appropriate legal manner so that certain amount of fixed income is generated to mitigate the operational losses of this Business Undertaking. In this endeavour, the Management came across the proposal of UPL Limited (formerly known as "United Phosphorus Limited") (hereinafter referred to as "UPL", an Indian Company having its corporate office at Uniphos House, 11th Road, Khar West, Mumbai 400 052 and having CIN L24219GJ1985PLC025132) to take this Business Undertaking on lease for the purpose of manufacturing of their products using the existing facilities and infrastructure of the Business Undertaking.

Considering inter-alia the above, the Board of Directors of your Company in its meeting held on 9th November, 2013 has unanimously approved to transfer the Business Undertaking by way of lease or any other feasible and appropriate legal manner to UPL, including all the intangibles, plant, machinery and building therein, subject to the terms and conditions as may be stipulated in the Agreement/(s) to be entered with UPL, on the following lines:

- UPL shall pay lease rent or such amount and at such intervals as may be decided and agreed by the Board of the Company.
- In addition to the lease rent, UPL shall also reimburse the operating and any other expenses of the Business Undertaking, as may be decided and agreed by the Board of the Company by entering into various facilities agreements from time to time.
- The Business Undertaking may be given on lease for a term as a whole or on renewal basis after fixed intervals, as may be decided by the Board of the Company from time to time, but not exceeding 20 years at any occasion.

UPL, in accordance with the terms of the Original Lease Deed with MIDC and subject to other terms and conditions and covenants as may be stipulated in the Agreement/ (s) to be executed, has agreed to take on lease the Business Undertaking. If require, UPL will also make an additional investment in the plant to cater to the required production.

The Board of the Company is of the opinion that the above arrangement will contribute some fixed income and reduce the operational expenses of this Business Undertaking.

Therefore, in terms of Section 180(1)(a) of the Companies Act, 2013, approval of the members is being sought to transfer the Business Undertaking by way of lease or any other feasible and appropriate legal manner, as a whole or in parts to UPL, through Postal Ballot for passing the Special Resolution and to authorize the Board to give effect to the aforesaid resolution, as it may deem fit, in the interest of the Company as set out in the Notice.

The resolution, if approved, will be taken as effectively passed on the date of declaration of result of the Postal Ballot.

None of the Directors, Key Managerial Personnel and their relatives of the Company is in any way concerned or interested in the resolution, save and except to the extent of their shareholding in the Company.

None of the Director, Key Managerial Person and their relatives of the Company holds more than 2% shareholding of the paid-up share capital of UPL.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interest of the Company and hence recommends this Special Resolution for the approval of the Members.

**By order of the Board
For Punjab Chemicals and Crop Protection Limited**

Sd/-

Place: Chandigarh
Date: 29th November, 2013

**Punit K Abrol
Sr. VP (Finance) & Secretary
Regd. Office: SCO: 183, 1st Floor, Sector - 26,
Madhya Marg, Chandigarh - 160019.**

Notes:

- This Notice is being sent by post to all those members, whose names appear in the Register of Members/ Record of Depositories as on 29th November, 2013.
- In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the assent or dissent of the members on the business set out in the Notice above are sought to be passed by Postal Ballot and not by electronic mode.
- As required by Rule 3C of the Companies (Passing of the resolution by Postal Ballot) Rules 2011, details of completion of dispatch of Notice and Postal Ballot Paper to the members will be published in at least one (1) English and one (1) Vernacular language newspaper circulating in Chandigarh.
- The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the resolution.
- Please see the instructions for voting by Postal Ballot which has been printed therein.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Registered Office: SCO: 183, 1st Floor, Sector – 26,
Madhya Marg, Chandigarh – 160019.

POSTAL BALLOT FORM

Sl. No.

1. Name and address of Sole/
First named Member as
registered with the Company

2. Names(s) of the Joint Member(s) :
if any registered with the Company

3. Registered Folio No./DPID No./
Client ID No.

4. Number of Shares held :

5. I/ We hereby exercise my/our vote in respect of the Special Resolution 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 by placing the tick mark (✓) at the appropriate box below :

Description	No. of Shares	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
To transfer Tarapur Unit of Industrial Chemicals Division of the Company by way of lease or by any other feasible and appropriate legal manner.			

Place :

Date :

(Signature of the Shareholder)

Notes :

1. Last date for Receipt of Postal Ballot Form by the Scrutinizer is 17th January, 2014.
2. Please complete the form and return to the Scrutinizer at the Registered Office of the Company.
3. Please read carefully the instructions printed overleaf before exercising your vote.

INSTRUCTIONS

1. A Member desiring to exercise vote by postal ballot should complete the Postal Ballot form (no other form or photo copy thereof, is permitted to be used for the purpose) and send it to the Scrutinizer in the attached postage pre-paid self-addressed envelope. The postage will be borne and paid for by the Company. However, envelopes containing Postal Ballot Forms, if deposited with the Company, in person or if sent by courier at the expense of the Member shall also be accepted by the Company.
2. This form should be completed and signed by the Member (as per the specimen signature(s) registered with the Company/ Depository Participants). In case of joint holding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member. In case of shares held by Companies, trust, societies, etc., the duly completed Postal Ballot Form should be signed by the authorized signatory (ies) and must be accompanied by a certified true copy of the Board Resolution/ Power of attorney, failing which the same shall be rejected.
3. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
4. Duly completed Postal Ballot forms should reach the Scrutinizer not later than the close of working hours on Friday, the 17th January, 2014. Postal Ballot forms received after this date will be strictly treated as if the reply from such Member(s) has not been received.
5. There will be one postal ballot for every folio/ Client ID irrespective of the number of Joint holders.
6. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column.
7. Incomplete, unsigned, mutilated, defaced or incorrectly ticked Postal Ballot forms will be rejected. Any communication other than duly filled and completed Postal Ballot indicating your assent (for) or dissent (against), sent to the scrutinizer shall not be taken on record.
8. A Member may request for a duplicate Postal Ballot form, if so required, from the Registered Office of the Company. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at point no. 4 above.
9. Members are requested not to send any other paper along with the Postal Ballot form in the enclosed postage pre-paid self addressed envelope.
10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on the last date of the dispatch of the Notice.
11. In terms of the provisions of Section 192A of the Companies Act, 1956, the resolution shall not be put to vote at the General Meeting. Only results of the postal ballot votes will be declared at the Registered Office of the Company at SCO: 183, 1st Floor, Sector – 26, Madhya Marg, Chandigarh – 160019 on Tuesday, the 21st January, 2014 at 3.00 P.M. The result of the Postal Ballot will also be displayed at the said address and posted on the Company's website www.punjabchemicals.com besides communicating to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, for the information of Members. The declaration of the result of the Postal Ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
12. Members are requested to fill in Postal Ballot Form by pen (ball point/ gel/ ink) only and avoid using any other writing medium/s like pencil, etc.
13. The Postal Ballot shall not be exercised by a proxy.
14. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.