

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Regd. Office: SCO 417-418, Sector 35-C, Chandigarh – 160 031

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting of the members of Punjab Chemicals & Crop Protection Limited will be held on Monday, the 25th June, 2012 at 2.30 p. m, at PHD House, Sector-31, Chandigarh -160 031 to transact the following business:

SPECIAL BUSINESS:

1) To Increase the Authorised Share Capital of the Company and alteration of the Memorandum of Association of the Company.

To consider with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 18 crores (Rupees Eighteen Crores only) divided into 1,78,00,000 Equity shares of Rs. 10/- each and 20,000, 9.8% Redeemable Cumulative Preference shares of Rs. 100/- each to Rs. 20 crores (Rupees Twenty crores only), divided into 1,98,00,000 Equity shares of Rs. 10/- each and 20,000, 9.8% Redeemable Cumulative Preference shares of Rs. 100/- each and ranking pari passu with the existing equity shares and consequently

The respective clause of the Memorandum of Association of the Company shall subsequently stand altered as follows:

Existing Clause V of the Memorandum of Association be hereby altered by deletion of existing clause and substituting in place thereof, the following as the new Clause V:

CLAUSE V:

"The Authorised Share Capital is Rs.20,00,00,000/- (Rupees Twenty Crores only), divided into 1,98,00,000 (One Crore Ninety Eight Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each and 20,000 (Twenty Thousand), 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees Hundred only) each (subject to such deduction of tax at source as may be required under the provisions of the Indian Income Tax Act, 1961 or any statutory replacement or enactment thereof, the Finance Act or any other Act or Rule or Regulation for the time being in force and at such rates as may be prescribed thereby or by any competent authority but without any reduction in respect of the Company's own tax with the rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being, with powers to increase or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the regulations of the Company for the time being in force."

2) To issue securities including by way of QIP to the Qualified Institutional Buyers.

To consider and if thought fit, to pass with or without modification(s), the following 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 statutory modification or re-enactment thereof for the time being in force) ("Companies Act"), as also provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer of Issue of Securities by a Person Resident Outside India) Regulation, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and rules and regulations made thereunder, if applicable, any other applicable law and laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and applicable guidelines/regulations prescribed by the Securities and Exchange Board of India ("SEBI") and/or Reserve Bank of India ("RBI") and/or any other regulatory/statutory authority and clarifications thereon issued from time to time, whether in India or abroad, and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to the approvals, consents, permissions and/or sanction of, if applicable including but not limited to, Government of India, RBI, SEBI, Foreign Investment Promotion Board ("FIPB") and/or all other authorities, institutions or bodies, within or outside India, (hereinafter collectively referred to as appropriate authorities) and subject to such terms, alterations, conditions changes, variation and/or modifications as may be prescribed by any of them while granting such approval (hereinafter referred to as requisite approvals) and as agreed to by the Board of Directors of the Company ("Board" which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred on the Board by this resolution), consent of the members in this Extra Ordinary General Meeting be and is hereby granted, accorded in its absolute discretion to create, offer, issue and allot in one or more tranche(s), whether rupee denominated or denominated in foreign currency, in the course of domestic or international offerings or qualified institutional placements, with or without an over-allotment/green shoe option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indian, Indian public companies, corporate bodies, mutual funds, banks insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities whether shareholders of the Company or not through a public issue and/or on private placement basis and/or qualified institutional placement (QIP) within the meaning of Chapter VIII of the SEBI Regulations and/or a preferential issue and/or a preferential and/or any other kind of public issue and/or private placement, with or without an over-allotment/green shoe option, equity shares, preference shares, secured or unsecured debentures, bonds, warrants or any other securities whether convertible into equity shares or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCB"), issue of Shares/Share Warrants/Debentures to the Qualified Institutional Buyers (QIB) and/or Compulsorily Convertible Debentures (CCD) with or without share warrants attached which are convertible into or exchangeable with equity shares and/or Global Depository Receipts ("GDRs") or American Depository Receipts ("ADRs") or other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or NCD (Non Convertible Debentures) with share warrants attached which are convertible into or exchangeable with equity shares or any other securities whether convertible into equity shares or not as may be permitted by law (hereinafter referred to as "Securities") whether secured or unsecured, to be listed on any stock exchange inside India or any foreign/international stock exchange outside India if required, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, equivalent to upto Rupees 60 Crores as Board may determine in accordance with the SEBI Regulations and where necessary in consultation with the lead managers, underwriters, merchant bankers, guarantors, financial and/or legal advisors, rating agencies/advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and all other agencies/advisors."

RESOLVED FURTHER that such of the Securities as may be issued within the above prescribed limits of Rupees 60 Crores shall be in accordance with Chapter VIII of the SEBI Regulations to Qualified Institutional Buyers through private placement(s), may be issued at such time or times in one or more tranches, at such price or prices which will be determined in accordance with the relevant applicable guidelines / provisions specified in that behalf including at a discount or premium to market price or prices in such manner and on such terms and conditions as may be decided by the Board subject to the applicable statutory rules and regulations and in consultation with the book running lead manager(s) and as may be deemed appropriate and approved by the Board at the time of such offer / issue / allotment of the Securities so as to enable the Company to list the Securities and the Equity Shares issued upon conversion of the warrants/ other convertible securities on any recognized stock exchange(s) in India.

RESOLVED FURTHER that in the event that equity shares are issued in accordance with Chapter VIII of the SEBI Regulations, the relevant date for the purpose of pricing of the Securities, shall be the date of the meeting in which the Board (which expression includes any committee thereof constituted or to be constituted) decides to open the issue of the Securities subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act and

other applicable laws, regulations and guidelines in relations to the proposed issue of Securities through a QIP in accordance with the SEBI Regulations as mentioned above whereas in the event that Securities convertible into equity shares are issued in accordance with Chapter VIII of the SEBI Regulations, the relevant date for the purpose of pricing of the Securities, shall be the date of the meeting of the Board as explained above or date on which the holders of such convertible securities become entitled to apply for the equity shares as may be decided by the Board of Directors or Committee of directors in its absolute discretion and in terms of applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines in relations to the proposed issue of Securities through a QIP in accordance with the SEBI Regulations as mentioned above.

RESOLVED FURTHER that in the event that the secured redeemable non-convertible debentures alongwith warrants with a right exercisable by the warrant holder to exchange the same with the equity shares of the Company are offered as Securities through a QIP, such issue shall be in accordance with the SEBI Regulations

RESOLVED FURTHER that the Securities to be created, offered, issued and allotted shall be subject to the provisions of the Articles of Association of the Company and the underlying equity shares (including the equity shares as may be required to be issued and allotted upon exchange with the warrants or other convertible securities) shall rank pari passu in all respects with the existing equity shares of the Company including payment of dividend, if any, declared including other corporate benefits, if any, for the financial year in which the issue/offer/allotment has been made and subsequent years and shall have the same voting rights as the existing equity shares."

RESOLVED FURTHER that in addition to all applicable Indian laws, the Securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed / to be listed or that may in any other manner apply to such securities or provided in the terms of their issue.

RESOLVED FURTHER that the Board or any committee thereof be and is hereby authorised on behalf of the Company to finalise the pricing terms and conditions relating to the issue of Securities and any other matter in connection with, or incidental to, the issue of Securities as the Board or any committee thereof, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto."

RESOLVED FURTHER that the Board or any committee thereof be and is hereby authorised to appoint, in its absolute discretion, manager (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, escrow bankers, custodian, principal paying/transfer/conversion agents, listing agents registrars, trustees and all other agencies, whether in India or abroad, in connection with the proposed issue/offering/allotment of the Securities and to negotiate and finalise the terms and conditions (including the payment of fees, commission, brokerage, and their charges subject to requisite approval of RBI, if any) of the aforesaid appointments and also to, in its absolute discretion, renew or terminate the appointment so made and to enter into and execute all such agreements, memoranda, documents etc. with such persons and to seek listing of such Securities."

"RESOLVED FURTHER that the Board or any committee thereof be and is hereby authorised to determine the form, terms and timing of the issue(s)/ offering(s)/allotment(s) including the investors to whom the Securities are to be allotted, the proportion in which they are allotted, issue price, face value premium or discount on issue/conversion of securities rate of interest, period of conversion or variation of the price or period of conversion, listing of Securities on one or more stock exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters and finalise and approve the preliminary as well as the final offer documents for the proposed issue of Securities as may be required by the authorities in such issues in India and/or abroad and to authorise any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents or any other confirmation and/or authorities as may, in the opinion of such authorised person, be required from time to time.

RESOLVED FURTHER that subject to the applicable laws, the Board or any committee thereof be and is hereby authorised to do such acts, deeds and things as the Board or any committee thereof in its absolute discretion deems necessary or desirable in connection with the issue of Securities, and to give effect to aforesaid resolution, including, without limitation, the following:

- (a) finalisation of the allotment of Securities on the basis of the subscriptions received;
- (b) finalisation of and arrangement for the submission of the preliminary and final offering circulars/prospectus/offer document(s)/placement document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (c) approval of the preliminary and final offering circulars/prospectus/offer document(including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with Lead Managers/Underwriters/Advisors, in accordance with all applicable laws, rules, regulations and guidelines;
- (d) approval of the Deposit Agreement(s), escrow agreements, Underwriting Agreement (s), the Trust Deed (s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBs/ other securities, letter of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) finalisation of the basis of allotment in the event of oversubscription;
- (f) acceptance and appropriation of the proceeds of the issue of Securities;
- (g) authorization of the maintenance of a register of holders of the Securities, if so required, in India or abroad;
- (h) authorization of any director or directors of the Company or other officer or officers of the Company, including by grant of power of attorneys, to do such acts, deeds and things as the authorised person in its discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial transactions and other consents that may be required in connection with the issue and allotment of the Securities;
- (j) seeking the listing of the Securities on any Indian or International stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (k) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consent and authorities as may be required from time to time.
- (l) deciding the pricing and terms of the Securities, all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into GDRs/ADRs, as per applicable laws, regulations or guidelines; and
- (m) creation of mortgage and/or charge in accordance with Section 293(1)(a) of the Companies Act, 1956 in respect of the Securities as may be required either on pari passu basis or otherwise.

RESOLVED FURTHER that without prejudice to the generality of the foregoing, issue of the Securities may be done upon all or any terms or combination of terms in accordance with domestic and international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of the Securities of this nature.

RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER that for the purpose of giving effect to the above resolutions, the Board or any committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities."

RESOLVED FURTHER that such of these Securities to be issued as are not subscribed, may be disposed of by the Board in such manner and/or on such terms, including offering them to or placing them with Qualified Institutional Buyers in accordance with Chapter VIII of the SEBI Regulations, as the Board may deem fit and proper, in its sole and absolute discretion.

RESOLVED FURTHER that the offer, issue and allotment of the Securities, and the fresh equity shares to be issued on conversion of the warrants/other convertible securities shall be made at such time or times that the Board may in their absolute discretion decide, subject to the SEBI Regulations and other applicable laws, and the terms agreed between the Board and the proposed allottees of the Securities.

RESOLVED FURTHER that: -

- a. all monies received out of the Issue of securities to investors shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
- b. details of all monies utilised out of the Issue referred to in sub-item a. above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and
- c. details of all unutilised monies out of the issue of securities or debentures, if any, referred to in sub-item a. above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested."

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committees of Directors or Chairman or Managing Director or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution and to make any alteration, addition or vary any of the above said clauses, in consultation with the Lead Managers who shall be appointed for the purposes of the Issue or such other authorities as may be required and without prejudice to the generality of the aforesaid, deciding the exact Issue Structure.

3) To increase the aggregate limit for FII investment from 24% to 49% of the paid-up equity capital.

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

"**RESOLVED THAT** subject to approval of Central Government, Reserve Bank of India and other statutory / regulatory bodies, if required, and intimation to Reserve Bank of India to be made, consent of the Company be and is hereby accorded for investment in foreign currency by Foreign Institutional Investor(s) in the equity share capital of the company, either by direct investment or by purchase or otherwise by acquiring from the market under portfolio investment scheme on repatriation basis (including by way of subscription to or acquisition of ADR/GDRs/Private placement/foreign currency convertible bonds, etc.) subject to the condition that aggregate investment by FIIs under FDI and portfolio investment scheme, together with their existing holdings, if any shall not exceed in aggregate of 49% of the paid up equity capital of the company or such other limits as may be prescribed from time to time by the Central Government and/or Reserve Bank of India or any other related authority."

4) To reappoint Shri Shalil Shroff as the Managing Director of the Company and to fix his remuneration.

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

"**RESOLVED THAT** subject to the approval of the Central Government and such other approval as may be necessary and pursuant to the provisions of sections 198, 269, 309,310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the resolution passed by the Remuneration Committee and the Board of Directors of the Company, consent of the Company be and is hereby accorded to the reappointment of Shri Shalil Shroff as the Managing Director of the Company having substantial powers of management under the overall control of the Board of Directors, for a term of 5 (five) years w.e.f. 15.01.2012 to 14.01.2017 on the terms and conditions including remuneration as reproduced in the relevant explanatory statement annexed to the notice of this meeting.

RESOLVED FURTHER that the remuneration payable to Shri Shalil Shroff as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year, but subject to the ceiling laid down in this behalf in the said schedule XIII (including any statutory modification or re-enactment thereof, for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government, and such other provisions as applicable.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have the absolute powers to accept any modification in the terms and conditions as may be approved by the Central Government while according its approval, if required, to the reappointment of Shri Shalil Shroff as the Managing Director and any other modifications as may be necessary to comply with the abovementioned applicable provisions and to give effect to the foregoing resolution."

5) To reappoint Shri S.S. Tiwari as the Whole-Time Director of the Company and to fix his remuneration.

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

"**RESOLVED THAT** subject to the approval of the Central Government and such other approval as may be necessary and pursuant to the provisions of sections 198, 269, 309,310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the resolution passed by the Remuneration Committee and the Board of Directors of the Company, consent of the Company be and is hereby accorded to the reappointment of Shri S.S. Tiwari, as the Whole-Time Director of the Company for a term of 5 (five) years w.e.f. 06.04.2012 to 05.04.2017 on the terms and conditions including remuneration as reproduced in the relevant explanatory statement annexed to the notice of this meeting.

RESOLVED FURTHER that the remuneration payable to Shri S.S. Tiwari as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year, but subject to the ceiling laid down in this behalf in the said schedule XIII (including any statutory modification or re-enactment thereof, for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government, and such other provisions as applicable.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have the absolute powers to accept any modification in the terms and conditions as may be approved by the Central Government while according its approval, if required, to the reappointment of Shri S.S. Tiwari as the Whole-Time Director and any other modifications as may be necessary to comply with the abovementioned applicable provisions and to give effect to the foregoing resolution."

By Order of the Board,

Sd/-

Punit K Abrol

Sr. V P (Finance) & Secretary

Place: Chandigarh

Date: 24th May, 2012

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of said resolution is furnished as Annexure 1 to the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the Extra-Ordinary General Meeting.
3. Corporate Members interested to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.

Annexure 1 to the Notice**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement, pursuant to section 173 of the Companies Act, 1956, sets out all material facts relating to the business mentioned in the accompanying Notice.

Item No. 1. : Increase the Authorised Share Capital of the Company and alteration of the Memorandum of Association of the Company.

The current Authorised Share Capital of the Company is Rs. 18 crores (Rupees Eighteen Crores only) divided into 1,78,00,000 Equity shares of Rs. 10/- each and 20,000 , 9.8% Redeemable Cumulative Preference shares of Rs. 100/- each. In order to facilitate the proposed issue / Qualified Institutional Placement (QIP) and to accommodate the future expansion and growth of the Company, the Board proposes to increase the authorised share capital of the Company to Rs. 20 crores (Rupees Twenty crores only), divided into 1,98,00,000 Equity shares of Rs. 10/- each and 20,000 , 9.8% Redeemable Cumulative Preference shares of Rs. 100/- each and ranking pari passu with the existing equity shares and consequently by amending Clause V of the Memorandum of Association of the Company, accordingly.

In terms of the provisions of section 94 read with other applicable provisions if any of the Companies Act, 1956, the Company can alter the authorised share capital only by passing the necessary resolution at a duly convened general meeting of the shareholders of the Company.

The Company is not required to amend the Articles of Association of the Company as it contains a provision that the Authorised Share Capital of the Company shall be such amount as will have been stated in the Memorandum of Association at any time and from time to time.

Your Directors recommend the Special Resolution as set out at above for the approval of the members.

None of the Directors of the Company is directly or indirectly concerned or interested in this resolution.

Item No. 2. : Issue of securities including by way of QIP to the Qualified Institutional Buyers.

The Company is required to strengthen its financial position by augmenting the long term financial resources. In view of this and possible means of finance, thereof, it is proposed to seek enabling authorization from the Shareholders to the Board to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

In terms of Section 81 (1A) of the Companies Act, 1956, issue of shares to persons other than the existing shareholders of the Company requires approval of the shareholders in a General Meeting by way of a Special Resolution. The Special Resolution contained in this notice seeks to empower the Board of Directors, to raise funds through issue of Securities in domestic and/or international markets, including by way of Qualified Institutions Placement ("QIP") with the Qualified Institutional Buyers ("QIBs"), in accordance with the provisions contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or Depository Receipts in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipts Mechanism) Scheme, 1993 and/or any other Securities for an amount not exceeding Rupees 60 Crores in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board to the various category of investors in the domestic and/or international markets for financing various strategic initiatives including, inter-alia, to strengthen capital base of company and for general corporate purposes and/or such other purpose(s) as the Board, in its absolute discretion, thinks most beneficial to the Company.

Therefore, it is proposed to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs, FCDs, NCDs with warrants and/or such other securities convertible into or linked to Equity Shares and/or any other instruments and/or combination of instruments to the extent of Rupees 60 Crores in one or another manner and in one or more tranches.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The pricing of the international issue will be free market pricing and may be at a premium or discount to the market price in accordance with international practices, subject to applicable Indian law and guidelines. The same would be subject to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. It is not possible at present to decide pricing and exact number of securities or shares to be offered, therefore, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue. The Securities issued pursuant to the offering(s) would be listed on the Indian Stock Exchanges and/or internationally recognized stock exchange and may be represented by Securities or other Financial Instruments outside India.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board may in its absolute discretion deem fit. Section 81 (1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the notice results in the issue of the shares of the Company otherwise than to the shareholders of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board of Directors to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company.

The Board of Directors recommends the Special Resolution as set out in the accompanying notice in the interest of the Company for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Item No. 3: Increasing the aggregate limit for FII investment from 24% to 49% of the paid-up equity capital.

As per FEMA Notification dated 3rd May 2000 and Consolidated FDI Policy released by the Government of India on April 10, 2012 FDI is permitted upto 100% on the automatic route subject to applicable laws. In light of this, Foreign Institutional Investors (FIIs) either by direct investment or by purchase or otherwise by acquiring from the market under portfolio investment scheme on repatriation basis can invest up to 100% of the paid up capital of the Company, provided the Company has obtained board approval followed by members approval by way of special resolution in this regard and subject to prior intimation to RBI.

In view of the active interest evinced by FIIs in our stock and pursuant to issue of Depository Receipts/Convertible Bonds (assuming conversion of such bonds, if any), their aggregate shareholdings may exceed 24% of the paid up Capital of the Company. Therefore it is proposed to increase the said limit to 49%. This increase in the aggregate

FII investment limit requires the approval of the members by a special resolution at the General Meeting and prior intimation to RBI. Since the increased investment by FIIs is considered to be in the interest of the company, the Board recommends the resolution for approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 4: Reappointment of Shri Shalil Shroff as the Managing Director of the Company and to fix his remuneration.

The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 22nd December, 2011 in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and shareholders of the Company or any other regulatory approvals, if required, have reappointed Shri Shalil Shroff as the Managing Director of the Company for a period of five (5) years with effect from 15th January, 2012 to 14th January, 2017 on the terms and conditions including remuneration as reproduced below:

1. Salary:

Rs. 2,00,000/- per month in the pay scale of Rs. 2,00,000 - Rs. 4,00,000. The annual increment will be effective from 1st April each year and shall be decided by the Remuneration Committee and the Board of Directors.

2. Commission:

Commission on net profits of the Company as may be determined and fixed by the Board of Directors subject to a limit of 1% of the net profits of each financial year.

3. Perquisites:

a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri Shalil Shroff; such perquisites for each year not to exceed his annual salary. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at the actual cost.

The provision of Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure as per the rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

4. Other Benefits:

a) Leave: On full pay and allowance, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.

b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.

c) The appointment may be terminated by either party by giving ninety days notice in writing, or such shorter notice as may be mutually agreed between him and the Company.

d) In the event of any dispute or difference arising at any time between Shri Shalil Shroff and the Company in respect of the terms of his appointment or construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

The resolution is being proposed for approval as a special resolution in compliance with the requirements of Schedule XIII, Part II, Section II, Clause 1 (B) and proviso (iii) to sub clause (B) of the Companies Act, 1956. A statement to this effect is separately given in the Notice.

The abstract of the terms of the remuneration pursuant to Section 302 of the Companies Act, 1956, together with the memorandum of concern or interest have already been sent to the members.

Shri Shalil S Shroff, himself and Capt. S S Chopra, being relatives are concerned or interested in the aforesaid arrangement. None of the other Directors of the Company are concerned or interested in the aforesaid appointment and remuneration.

Your Directors recommend the Special Resolution as set out at above for the approval of the members.

Item No. 5: Reappointment of Shri S.S. Tiwari as the Whole-Time Director of the Company and to fix his remuneration.

The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 22nd December, 2011 in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and shareholders of the Company or any other regulatory approvals, if required, have reappointed Shri S.S. Tiwari as the Whole Time Director of the Company for a period of five (5) years with effect from 6th April, 2012 to 5th April, 2017 on the terms and conditions including remuneration as reproduced below:

1. Salary:

Rs.1,45,000/- per month in the pay scale of Rs.1,00,000 to Rs.3,00,000. The annual increment will be effective from 1st April each year taking into account the Company's performance and as decided by the Remuneration Committee and the Board of Directors.

2. Commission:

Commission on net profits of the Company as may be determined and fixed by the Board of Directors subject to a limit of ½ (half) % of the net profits of each financial year.

3. Perquisites:

a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri S.S. Tiwari; such perquisites for each year not to exceed his annual salary. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at the actual cost.

The provision of Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure as per the rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

4. Other Terms:

- Leave: On full pay and allowance, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.
- The appointment may be terminated by either party giving to the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between him and the Company.
- In the event of any dispute or difference arising at any time between Shri S.S. Tiwari and the Company in respect of the terms of his appointment or construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

The resolution is being proposed for approval as a special resolution in compliance with the requirements of Schedule XIII, Part II, Section II, Clause 1 (B) and proviso (iii) to sub clause (B) of the Companies Act, 1956. A statement to this effect is separately given in the Notice.

The abstract of the terms of the remuneration pursuant to Section 302 of the Companies Act, 1956, together with the memorandum of concern or interest have already been sent to the members.

None of the Directors of the Company other than Shri S.S. Tiwari himself, is concerned or interested in the aforesaid appointment and remuneration.

Your Directors recommend the Special Resolution as set out at above for the approval of the members.

A STATEMENT PURSUANT TO SCHEDULE XIII, PART II, SECTION II, CLAUSE 1(B) AND PROVISIO (iv) TO SUB CLAUSE (B) W.R.T. ITEM NO. 4 TO 5 OF THE NOTICE IS AS STATED BELOW:

I. GENERAL INFORMATION:

1) Nature of industry	:	Agro Chemicals, Pharma and Agro Formulations.		
2) Date or expected date of commencement of commercial production	:	In production since 1978		
3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable		
4) Financial performance based on given indicators	:			(Rs. in crores)
			2009-10	2010-11
		1. Sales Turnover		
		a) Domestic	195.59	195.12
		b) Export	107.09	146.37
		Total	302.68	341.49
		2. Profit/(Loss) before tax (PBT)	(55.00)	(13.54)
		3. Profit/ (Loss) after tax (PAT)	(40.43)	(13.54)
		4. Gross Block	247.03	361.74
		5. Net Block	147.03	248.16
		6. Paid-Up Capital	7.19	7.19
		- Equity share suspense account	-	.07
		7. Reserves & Surplus	68.21	63.84
		8. Net Worth	75.40	71.10
		9. EPS	(58.95)	(18.64)
5) Export performance and net foreign exchange collaborations.	:	Foreign exchange earnings (net)	18.80	72.70
6) Foreign investments or collaborations, if any.	:	Investment in foreign subsidiary	38.27	38.27

II. INFORMATION ABOUT THE APPOINTEES:

	Shri Shalil Shroff		Shri S.S. Tiwari	
<i>Background details.</i>	Shri Shalil Shroff, aged 47 years, Management Diploma from the University of Deopage-USA is associated with the Company since 1992. He started working at the operational level and reached the position of the Managing Director after passing through various stages. He was appointed as the Executive Director with effect from 15 th January, 1998 & appointed as the Managing Director in 2003. Presently, he is on the Board of Stellar Marine Paints Ltd., Hem-Sil Trading & Manufacturing Pvt. Ltd., STS Chemicals (UK) Ltd., SD AgChem (Europe) NV, Sinthesis Quimica (S.A.I.C), AgriChem. BV, Netherlands, L & L Products Shroff Pvt. Ltd., NV Agricultural Chemicals and SD Agchem Netherlands 1 B.V .		Shri S.S. Tiwari, aged 58 years, is M.Sc & Diploma in Business Management. He was associated with the erstwhile STS Chemicals Limited (now amalgamated with the Company) since last 30 years and was the Whole-time Director for around 10 years. He has worked at the operational level and looks after the domestic market of various chemicals and also manages production sites located in Maharashtra.	
<i>Past Remuneration</i>	2009-10 (Rs. Lacs)	2010-11 (Rs. Lacs)	2009-10 (Rs. Lacs)	2010-11 (Rs. Lacs)
<i>Basic Salary</i>	24.00	24.00	17.40	17.40
<i>Perquisites</i>	12.28	12.99	15.97	17.12
<i>Contribution to PF/Super- annuation.</i>	6.48	6.48	4.70	4.70
<i>Commission</i>	--	--	--	--
<i>Others</i>	--	--	--	0.40*
<i>Total Annual Salary</i>	42.76	43.47	38.07	39.62
<i>Job Profile and his suitability.</i>	Overall management of the Company under the superintendence and control of the Board of Director of the Company. His experience is suitable for this post.		Day to day management and affairs of the Company. Domestic sale of the Industrial Chemical division and control of manufacturing units of the Company located in Maharashtra. His experience is suitable for this post.	

	Shri Shalil Shroff	Shri S.S. Tiwari
<i>Remuneration proposed</i>	As stated in the Explanatory Statement of item no. 4.	As stated in the Explanatory Statement of item no. 5.
<i>Comparative remuneration profile w.r.t. industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).</i>	The Remuneration Committee and the Board of Directors of the Company have decided the remuneration keeping in view the size of the Company and job profile of Shri Shalil Shroff. The remuneration of senior executive of this level in the allied Industries is reported to be in the Range of Rs. 70 lacs to Rs. 80 lacs per annum.	The Remuneration Committee and the Board of Directors of the Company have decided the remuneration keeping in view the size of the Company and job profile of Shri S.S. Tiwari. The remuneration of senior executive of this level in the allied Industries is reported to be in the Range of Rs. 40 lacs to Rs. 50 lacs per annum.
<i>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</i>	He was appointed as the Executive Director with effect from 15 th January, 1998 & appointed as the Managing Director w.e.f. 15.01.2003.	He was appointed as the Additional Director and the Whole Time Director of the Company w.e.f. 06.04.2006.
<i>Recognition or Awards</i>	The Company has received the following awards: A. State Award for Export Promotion in the Year 1990-91. B. Export House Recognition in the year 1999. C. Punjab State Safety Award in the year 2002. D. 2 nd Chemexcil Award on Export performance for the year 2000-01. E. Chemexcil Gold Award for the outstanding export performance of Inorganic and Organic Chemicals during 2005-06.	

*It includes re-imbursement of telephone expenses.

III. OTHER INFORMATION:

- (1) Reasons of losses or inadequate profits. : 1. Fire in one of the Agrochemical plants at Derabassi in April, 2009.
 2. Underutilization of production capacities due to fire and consequential erosion of working capital.
 3. The liquidity crunch affected the normal working, including delay in repayment of interest and loan amount and procurement of key raw materials for the operations.
 4. The interest cost on additional borrowings further put pressure on the working and added to the losses.
- (2) Steps taken for improvement. : The Company has taken various steps to overdo the impact of fire, shortage of working capital and underutilization of the plants at various units in the following manner:
 1. The efforts were made to transfer funds from other divisions to Agro Division, wherever possible. These efforts could restore the production partially in the Agro Division.
 2. The Company also resorted to additional short term borrowings for meeting the requirement of the working capital. The additional borrowings at higher rate of interest increased the interest cost and affected the profitability.
 3. The Company has undertaken cost cutting measures wherever possible.
 4. The rationalization of the production and sales of the low contributing products of all Divisions.
 5. Any major expansion and capital expenditure in the existing units have been deferred till the Company makes turnaround.
 6. When it became difficult to pay the interest and to repay the loans, the Company had to approach the Bankers for restructuring of debts under Corporate Debt Restructuring (CDR) scheme in which request for more moratorium and additional working capital has been made.
- (3) Expected increase in productivity and profits in measurable terms. : The Company expects to achieve break-even or marginal profit upto Rs. 5 crores in the first year post CDR implementation, barring unforeseen circumstances.

Place: Chandigarh
 Date: 24th May, 2012

By Order of the Board
 -sd-
Punit K Abrol
 Sr. V P (Finance) & Secretary

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
Regd. Office: SCO: 417-418, Sector-35C, Chandigarh-160 022

DP.ID	
Client ID	

L.F. NO.	
No. of Shares held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the Extra Ordinary General Meeting of the Company held on Monday, the 25th June, 2012 at PHD House, Sector - 31, Chandigarh – 160 031 at 2.30 P.M.

NAME OF THE SHAREHOLDER(S) (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

Signature of Shareholder/ Proxy

NOTES:

1. You are requested to sign and hand over this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the Form of Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

PROXY FORM

I/We of being a Member/Members of the above named Company, hereby appoint of or failing him as my/our Proxy to attend and vote for me/us on my/our behalf at the Extra Ordinary General Meeting of the Company, to be held on Monday, the 25th June, 2012 at PHD House, Sector - 31, Chandigarh - 160031 at 2.30 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Reference Folio No./DPID & Client ID

No. of Shares

Affix Re. 1/-
Revenue
Stamp

Signature of the Shareholder.....

NOTES:

1. The Proxy, to be effective, should be deposited at the Registered Office of the Company at Punjab Chemicals and Crop Protection Limited, SCO: 417-418, Sector-35C, Chandigarh – 160 022 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
2. A Proxy need not be a Member of the Company.

BOOK-POST

If Undelivered, please return to:

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
SCO: 417-418, Sector 35C, Chandigarh-160 022