



# PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN NO.:L24231CH1975PLC003603

Registered Office: SCO 183, First Floor, Sector 26, Chandigarh-160019

Tel No-0172-5008300, Fax-0172-2790160; website: [www.punjabchemicals.com](http://www.punjabchemicals.com); e-mail: [www.info@punjabchemicals.com](mailto:www.info@punjabchemicals.com)

## **NOTICE OF POSTAL BALLOT**

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Member (s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), that Punjab Chemicals and Crop Protection Limited (the 'Company') is seeking consent of its Members for the special businesses to be transacted through Postal Ballot/ e-voting for the following purposes:

- a) Deletion of clause from Object clause of Memorandum of Association of the Company.
- b) Alteration of Liability Clause of Memorandum of Association of the Company.
- c) Adoption of new set of Articles of Association.
- d) Commission to Non-Executive Directors of the Company.

The explanatory statement pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof, as required in terms of Section 102 of the Act, is annexed hereto along with a postal ballot form (the "Form") for your consideration.

The Board of Directors of the Company (the "Board") has appointed Shri S. K Sharma (PCS No.3864) of S. K Sharma & Associates, Practicing Company Secretaries, Chandigarh as the Scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent ('for') or dissent ('against') therein and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Monday, the 28<sup>th</sup> March, 2016.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the notes to the Notice under the section "Voting through Electronic Means".

References to Postal Ballot(s) in this Notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman or any person authorized by the Board of the Company. The result of the Postal Ballot shall be announced by a Chairman/ Director / Company Secretary/ any other authorized person of the Company on Wednesday, the 30<sup>th</sup> March, 2016 at 3.00 p.m at the Registered Office of the Company. The aforesaid result will be displayed at the Registered Office of the Company and intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers, displayed along with the Scrutinizer's report on the Company's website viz. [www.punjabchemicals.com](http://www.punjabchemicals.com) and uploaded at the website of CDSL.

In the event, the proposed resolution is assented to by a requisite majority of the members by means of Postal Ballot, it 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 of the said resolution.

### **Item No.1: Deletion of clause from Object clause of Memorandum of Association of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** by means of postal ballot and e-voting:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and rules framed thereunder, subject to necessary registrations, approvals, consents, permissions and sanctions, as may be required, from the jurisdictional Registrar of Companies, and any other appropriate authority, if any, the consent of the Company be and is hereby accorded for deleting the following clause from the Object clause of the Memorandum of Association of the Company:

*“6. To adopt and carry into effect with or without modifications the collaboration agreement dated 15<sup>th</sup> May, 1975 and the technical knowhow agreement dated 15<sup>th</sup> May, 1975 entered into between Punjab State Industrial Development Corporation Limited, Chandigarh of the one part and Excel Industries Limited, Bombay as promoters for and on behalf of the Company on the other part.”*

RESOLVED FURTHER THAT the agreements mentioned in aforesaid clause have become redundant and inoperative in terms of the provisions of the said agreements.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board', which shall be deemed to include any Committee thereof, which the Board may have or may hereinafter constitute, to which all the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated) or any Director / officer so authorized by the Board be and are hereby severally authorized to do all such acts, deeds and things as may be required for giving effect to this resolution including filing application and obtaining necessary approvals as may be required.

#### **Item No.2: Alteration of Liability Clause of Memorandum of Association of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** by means of postal ballot and e-voting:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and rules framed thereunder, subject to necessary registrations, approvals, consents, permissions and sanctions, as may be required, from the jurisdictional Registrar of Companies, and any other appropriate authority, if any, the consent of the Company be and is hereby accorded for amendment of Clause IV of the Memorandum of Association by substituting the same with the following:

*IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.*

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board', which shall be deemed to include any Committee thereof, which the Board may have or may hereinafter constitute, to which all the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated) or any Director/officer so authorized by the Board be and are hereby severally authorized to do all such acts, deeds and things as may be required for giving effect to this resolution including filing application and obtaining necessary approvals as may be required.

#### **Item No. 3: Adoption of new set of Articles of Association.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** by means of postal ballot and e-voting:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to necessary registrations, approvals, consents, permissions and sanctions, as may be required, from the jurisdictional Registrar of Companies, and any other appropriate authority, if any, the consent of the Company be and is hereby accorded to adopt the new set of Articles of Association of the Company as available for public inspection at the Registered Office of the Company and on Company's website, in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board', which shall be deemed to include any Committee thereof, which the Board may have or may hereinafter constitute, to which all the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated) or any Director/officer so authorized by the Board be and are hereby severally authorized to do all such acts, deeds and things as may be required for giving effect to this resolution including filing application and obtaining necessary approvals as may be required.

#### **Item No. 4 Commission to Non-Executive Directors of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** by means of postal ballot and e-voting:

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission to each Non-Executive Director including Independent

Directors of the Company (other than the Managing Director and/or Whole Time Directors) for each financial year over a period of five (5) financial years with effect from Financial year 2015-16 and distributed between such Directors in such a manner as determined and decided by the Chairman of the Company and approval by the Board of Directors of the Company, within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 or within such statutory limit as may be prescribed under the Companies Act, 2013 from time to time.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

RESOLVED FURTHER THAT the Board of Directors or any officer authorized by the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution”

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

Place: Chandigarh  
Date: 17<sup>th</sup> February, 2016

Punit KAbrol  
Sr. VP (Finance) & Secretary

#### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolution above, is appended herein below along with Form for your consideration.
2. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) /Central Depository Services (India) Limited (“CDSL”) as on Friday, the 12<sup>th</sup> February, 2016. The Postal Ballot Notice is being sent to Members in electronic form to the e-mail addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For Members whose e-mail IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage- prepaid self-addressed Business Reply Envelope.
3. The voting commences on Friday, 26<sup>th</sup> February, 2016. The Members are requested to note that:
  - a) Duly completed Postal Ballot Form should reach the Scrutinizer before 5:00 p.m. on Monday, 28<sup>th</sup> March, 2016. Postal Ballot Forms received after the said time and date will be strictly treated as if the reply from such Members has not been received.
  - b) Similarly, the Remote e-voting needs to be exercised before 5:00 p.m. on Monday, 28<sup>th</sup> March, 2016. Please note that Remote e-voting module will be disabled for Voting after the said time and date.

#### 4. Voting through Electronic Means:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Members are informed that the Company is pleased to offer 'Remote e-voting' facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting. Remote e-voting is optional and Members shall have the option to vote either through remote e-voting or through Postal Ballot Form.

The detailed procedure with respect to remote e-voting is mentioned below.

- a) The shareholders should log on to e-voting website 'www.evotingindia.com' during the voting period.
- b) Click on “Shareholders” tab.
- c) Enter User ID, captcha and password as per the instructions given below:
- d) After entering these details appropriately, click on “**SUBMIT**” tab.
- e) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to

<b>User-ID</b>	a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID c) Members holding shares in Physical Form should enter Folio Number registered with the company	
<b>Captcha</b>	Next enter the Image Verification as displayed and Click on 'LOGIN'	
<b>Password</b>	(i) If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.	
	(ii) If you are a first time user follow the steps given below: <b>For Members holding shares in Demat Form and Physical Form</b>	
	<b>PAN</b>	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. <b>The Sequence Number is printed on the Postal Ballot Paper.</b></li> </ul> <p>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
	<b>Date of Birth (DOB) or Dividend Bank Details</b>	Please enter the DOB (in dd/mm/yyyy format) or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.

- f) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- g) Select the EVSN** of Punjab Chemicals and Crop Protection Limited (the number is provided in the Form).
- h) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. **Select the option "YES" or "NO" as desired.** The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- i) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- j) After selecting the resolution you have decided to vote on, **click on "SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- k) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- l) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- m) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- n) Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- o) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under "HELP" section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



5. In case, a Member is desirous of obtaining a printed Postal Ballot Form (for Members to whom forms sent electronically) or a duplicate, he or she may write either to the Company or to Registrar and Share Transfer Agent (RTA) i.e Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi- 110 055 or alternatively e-mail such request to [jksingla@alankit.com](mailto:jksingla@alankit.com). The RTA/ Company shall forward the same along with postage- pre-paid self addressed Business Reply Envelope to the Member.
6. Once the vote on a resolution is casted by the shareholder by e-voting, the shareholder shall not be allowed to change it subsequently.
7. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e 12<sup>th</sup> February, 2016.
8. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Postal Ballot Form. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Postal Ballot Form shall be treated as invalid.
9. The documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours between 11:00 a.m and 2:00 p.m on all working days except Saturdays and Sundays and shall also be available at the venue.

### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No.1: Deletion of clause from Object clause of Memorandum of Association of the Company:**

The Company was initially promoted by Punjab State Industrial Development Corporation Limited, Chandigarh (PSIDC) and Excel Industries Limited, Bombay (EXCEL) in the year 1975 for the manufacturing of Methanol by entering into Collaboration Agreement and the Technical Knowhow Agreement, both dated 15<sup>th</sup> May, 1975.

The aforesaid agreements have become redundant in the current scenario due to reduction in shareholding of PSIDC and EXCEL in accordance with the provisions of the said agreements. Since these agreements are presently not relevant to conduct the business of the Company, therefore, the Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 decided to delete this clause from the Object clause of Memorandum of Association of the Company.

All documents referred to in the accompanying Notice and Explanatory Statement pursuant Section 102 of the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during 11:00 A.M. to 2:00 P.M on any working day (Monday-Friday) from the date of dispatch of the Notice till the last date for voting.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 1 of the Notice.

The Board recommends the resolution set out at item No.1 of the Notice for approval of the Members to be passed as a special resolution through Postal Ballot.

#### **Item No.2: Alteration of Liability Clause of Memorandum of Association of the Company:**

In terms of Section 4(1)(d) of the Companies Act, 2013, the Memorandum of Association of a Company has to state, in the case of a Company limited by shares, that "the liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them". It is therefore proposed to amend Clause IV of the Memorandum of Association of the Company in the manner provided under resolution no. 2 of Postal Ballot Notice to align the same with the provisions of the Companies Act, 2013.

The Board of Directors of the Company in their meeting held on 10<sup>th</sup> February, 2016 has, subject to the approval of the Members in accordance with the provisions of the Companies Act, 2013, and subject to such provisions as may be applicable, approved above amendment in the liability clause of the Memorandum of Association of the Company.

All documents referred to in the accompanying Notice and Explanatory Statement pursuant Section 102 of the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during 11:00 A.M. to 2:00 P.M on any working day (Monday-Friday) from the date of dispatch of the Notice till the last date for voting.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 2 of the Notice.

The Board recommends the resolution set out at item No.2 of the Notice for approval of the Members to be passed as a special resolution through Postal Ballot.

#### **Item No. 3: Adoption of new set of Articles of Association.**

The Articles of Association of the Company as currently in force were adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were carried out from time to time, over the past several years. The references to specific sections of the Companies Act, 1956 in the existing Articles may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act, 2013, which deal with the general functioning of the

Companies stand notified, it is proposed to amend / replace the existing Articles of Association with new Articles aligned with the provisions of the Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company, limited by shares.

While some of the Articles of existing Articles of Association of the Company require alteration or deletions, certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety.

A copy of the Articles of Association as on date and a copy indicating the proposed amendment is available for inspection at the Registered Office of the Company during 11:00 A.M. to 2:00 P.M on any working day (Monday-Friday) from the date of dispatch of the Notice till the last date for voting. The proposed draft of new Articles of Association is also available on the Company's website at [www.punjabchemicals.com](http://www.punjabchemicals.com) for perusal by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out at item No.3 of the Notice for approval of the Members to be passed as a special resolution through Postal Ballot.

**Item No. 4 Commission to Non-Executive Directors of the Company.**

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors and Independent Directors of a Company by way of commission, if the Company authorizes such payment by way of a resolution of members. The members of the Company at its Annual General Meeting held on 30<sup>th</sup> August, 2007, approved the remuneration payable to Non-Executive Directors and Independent Directors of the Company by way of commission not exceeding one percent (1 %) of the net profits of the Company for each year for a period of five years commencing from financial year 2007-08 to 2011-12.

No commission was paid to Directors since the financial year 2008-09 in view of non-availability of profit during these years.

The Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 has considered and evaluated the increased role and responsibilities of the Directors under the Companies Act, 2013 and decided to take the approval of the Members pursuant to section 197 of the Companies Act, 2013, in advance so that the payment of commission could be considered on availability of profits and in accordance with the applicable provisions of Companies Act and in such a manner as determined and decided by the Chairman of the Company and approval by the Board of Directors of the Company.

The validity of the earlier resolution passed by the Members has expired in the financial year 2011-12. Therefore, a renewed approval is sought from Members for payment of remuneration not exceeding 1% of the net profits of the Company calculated in accordance with provisions of the Act or within such statutory limit as may be prescribed under the Companies Act, 2013 from time to time, for a period of five years commencing from financial year 2015-16 to financial year 2020-2021.

Such payment will be in addition to the sitting fees payable and reimbursement of expenses incurred for attending Meetings of the Board, the Committees and other Meetings of the Directors.

Save and except all Non-Executive Directors of the Company including their relatives, no other Director/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 4 of the Notice.

The Board recommends the resolution set out at item No.4 of the Notice for approval of the Members to be passed as a special resolution through Postal Ballot.

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

Place: Chandigarh  
Date: 17<sup>th</sup> February, 2016

Punit KAbrol  
Sr. VP (Finance) & Secretary