

## NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of IOL Chemicals and Pharmaceuticals Limited (CIN: L24116PB1986PLC007030) will be held on Saturday, 29 September 2018 at 11:00 AM at the Registered Office of the company; Trident Complex, Raikot Road, Barnala, Punjab to transact the following business:

### Ordinary Business:

1. To consider and adopt the audited financial statements of the company for the financial year ended 31 March 2018 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as **Ordinary Resolutions**:

“RESOLVED that the audited financial statements of the company for the financial year ended 31 March 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mr Vijay Garg, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr Vijay Garg (DIN 06510248), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the company, liable to retire by rotation.”

3. To appoint Mr Vikas Gupta, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr Vikas Gupta (DIN 07198109), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the company, liable to retire by rotation.”

### 4. Appointment of Auditors

To appoint auditors of the company and fix their remuneration and pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification and re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, M/s. Ashwani & Associates (Firm Registration No. 000497N), Chartered Accountants, Ludhiana be and are hereby appointed as the Statutory Auditors of the company for five consecutive years till the conclusion of thirty sixth Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors from time to time as agreed upon between the Auditors and the Board of Directors.”

### Special Business:

#### 5. Adoption of new set of Articles of Association containing regulations in accordance with Companies Act, 2013

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 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being

in force), the approval of the company be and is hereby given for adoption of new set of Articles of Association in substitution for and to the entire exclusion of the extant Articles of Association of the company.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.”

#### 6. Alteration of Memorandum of Association in accordance with Companies Act, 2013

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 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being in force, and subject to the necessary approval of the Central Government or any other statutory authority(ies), if any required in this behalf, the approval of the company be and is hereby given for effecting the following amendments in Clause III of the existing Memorandum of Association, dealing with the objects of the company:-

1. Sub-heading III(B) “OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS” be substituted by the new sub-heading “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)”, with existing objects appearing under sub clauses 1 to 33 thereof.
2. Under sub-clause 10 of new sub-heading “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)”, the words “Section 58A of the Act” be substituted with the words “the Companies Act, 2013 (“Act”).
3. Under sub-clause 14 of new sub-heading “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)”, the words “Section 176(4) of the Companies Act, 1956” be substituted with the words “provisions of the Act”.
4. Under sub-clause 23 of new sub-heading “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)”, the words “ the proviso to Section 77(2) of the Companies Act, 1956” be substituted with the words “the Act”
5. Sub-clauses (i) to (iv) as appearing under the sub-heading III(C) i.e. “OTHER OBJECTS”, be shifted under the new sub-heading III(B) i.e. “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)”, vide creation of new sub clauses no. 34 to 37, and the sub-heading III(C) i.e. “OTHER OBJECTS”, be deleted.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.”

#### 7. Increase of remuneration of Mr Varinder Gupta, Managing Director

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

“RESOLVED that in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approval of Central Government and any other authority, if required, variation in the terms of appointment of Mr Varinder Gupta, Managing Director in respect of revision of his remuneration with effect from 01 April 2018 for his remaining tenure that is upto 31 August 2018 be and is hereby approved as per details given below:

Basic Salary: ₹ 12,00,000/- (Rupees twelve lakh only) per month.

Perquisites and allowances: Not exceeding one and a half times the basic salary.

Other Terms:

The Managing Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the company, in accordance with the company's practice and rules and regulations in force from time to time.

“RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the company has no profits or its profits are inadequate, the company will pay aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013, where it is not able to comply with such provisions, subject to the approval of the Central Government or as otherwise permitted under then applicable law and regulations.”

“RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities to give effect to the variation of terms of appointment of the Managing Director.”

#### 8. Re-appointment of Mr Varinder Gupta as Managing Director

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

“RESOLVED that in accordance with the provisions of Sections 196,197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approval of Central Government and any other authority, if required, Mr Varinder Gupta (DIN: 00044068) be and is hereby re-appointed as Managing Director, for a period of five years with effect from 01 September 2018 to 31 August 2023, at a remuneration as per details given below:

Basic Salary: ₹ 12,00,000/- (Rupees twelve lakh only) per month.

Perquisites and allowances: Not exceeding one and a half times the basic salary.

Annual increment: Annual increment shall fall due on 1st of April of each year and as may be decided by the Board of Directors.

Other Terms:

The Managing Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives, in accordance with the company's practice and rules and regulations in force from time to time.

“RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the company has no profits or its profits are inadequate, the company will pay the aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013, where it is not able to comply with such provisions, subject to the approval of the Central Government or as otherwise permitted under the then applicable law and regulations.”

“RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities to give effect to the re-appointment of the Managing Director.”

#### 9. Increase of remuneration of Mr Vijay Garg, Joint Managing Director

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

“RESOLVED that in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to approval of the Central Government and any other authority, if required, variation in the terms of appointment of Mr Vijay Garg, Joint Managing Director in respect of revision of his remuneration with effect from 01 April 2018 for his remaining tenure that is upto 01 March 2019 be and is hereby approved as per details given below.”

Basic Salary: ₹ 7,60,000/- (Rupees seven lakh sixty thousand only) per month.

Perquisites and allowances: Not exceeding one and a half times the basic salary.

Other Terms:

The Joint Managing Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the company, in accordance with the company's practice and rules and regulations in force from time to time.

“RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the company has no profits or its profits are inadequate, the company will pay the aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013, where it is not able to comply with such provisions, subject to the approval of the Central Government or as otherwise permitted under the then applicable law and regulations.”

“RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities to give effect to the variation of terms of the appointment of the Joint Managing Director.”

#### 10. Increase of remuneration of Mr Vikas Gupta, Executive Director

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

“RESOLVED that in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to

approval of the Central Government and any other authority, if required, variation in the terms of appointment of Mr Vikas Gupta, Executive Director in respect of revision of his remuneration with effect from 01 April 2018 for his remaining tenure that is upto 28 May 2020 be and is hereby approved as per details given below:

Basic Salary: ₹ 2,80,000/- (Rupees two lakh eighty thousand only) per month.

Perquisites and allowances: Not exceeding one and a half times the basic salary.

Annual increment: Annual increment shall fall due on 1st of April of each year and as may be decided by the Board of Directors .

Other Terms:

The Executive Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the company, in accordance with the company's practice and rules and regulations in force from time to time.

"RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the company has no profits or its profits are inadequate, the company will pay the aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013, where it is not able to comply with such provisions, subject to the approval of the Central Government or as otherwise permitted under the then applicable law and regulations."

"RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities to give effect to the variation of terms of the appointment of the Executive Director."

#### **11. To revise the remuneration payable to managing director or whole-time directors of the company**

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

"RESOLVED that pursuant to provision of Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013, if any and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) ("the Act"), and in accordance with the provisions of the Articles of Association of the company, the company may pay to any one of its managing director or whole-time directors remuneration individually exceeding 5% of the net profits and collectively pay to all the managing director or whole-time directors remuneration in aggregate exceeding 10% but not exceeding 11% of the net profits of the company to all directors for that financial year."

"RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the company has no profits or its profits are inadequate, the company will pay the remuneration to any one of its managing director or whole-time directors as not exceeding the limits as permitted under then applicable law and regulations or as may be approved by the Central Government, if required."

"RESOLVED FURTHER that approval of the company be accorded to the Board of Directors (hereinafter referred to as 'Board' which term shall be deemed to include any duly authorised Committee thereof, exercising the powers conferred on the Board by this Resolution) to fix/ revise the remuneration payable to managing director or whole-time directors of the company".

#### **12. Approval of remuneration to the Cost Auditor for the financial year ending 31 March 2019**

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, and such other permissions as may be necessary, the members hereby approve the remuneration of ₹ 1,32,000/- plus goods and service tax and out-of- pocket expenses payable to M/s Ramanath Iyer & Co., Cost Accountants, New Delhi, who are appointed by the Board of Directors as Cost Auditors to conduct audit of the Cost Accounting records maintained by the company in respect of bulk drugs and chemicals for the financial year ending 31 March 2019."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board  
For IOL Chemicals and Pharmaceuticals Limited

#### **Registered Office:**

Trident Complex, Raikot Road,  
Barnala-148 101 (Punjab)  
Dated : 11 August 2018

Sd/-  
[Krishan Singla]  
Vice President & Company Secretary

#### **NOTES:**

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at Annual General Meeting (AGM) is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- 3) The Register of Members and Share Transfer Books will remain closed from **23 September 2018 to 29 September 2018** for the purpose of the Annual General Meeting.
- 4) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 5) The Securities and Exchange Board of India (SEBI) has mandated the submission of **Permanent Account Number (PAN)** by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.

- 6) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the company or the Depository Participant(s) and to other members at their registered address through permitted mode. Members are requested to submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
- 7) Members may also note that the Annual Report is available on the company's website [www.iolcp.com](http://www.iolcp.com) for their download. **Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the company's investor email id: investor@iolcp.com.**

#### 8) Voting through electronic means

- (i) The voting period begins on **25 September 2018 from 9:00 AM and ends on 28 September 2018 at 5:00 PM.** During this period members' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22 September 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The members should log on to the e-voting **website [www.evotingindia.com](http://www.evotingindia.com).**
- (iv) Click on **"Shareholders"** tab
- (v) Now Enter your **User ID**
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should **enter Folio Number** registered with the company.
- (vi) Next enter the **Image Verification** as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **[www.evotingindia.com](http://www.evotingindia.com)** and voted on an earlier voting of any company, then **your existing password** is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric <b>*PAN issued by Income Tax Department</b> (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the company/Depository Participant are requested to use the <b>the first two letters of their name and the 8 digits of the sequence number in the PAN field.</b></li> <li>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. <b>Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</b></li> </ul>

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the <b>Dividend Bank Details or Date of Birth</b> (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please <b>enter the member id / folio number</b> in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- (ix) After entering these details appropriately, click on **"SUBMIT"** tab.
- (x) 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 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.**
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVSN i.e. 180824015** for the IOL Chemicals and Pharmaceuticals Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire resolution details.
- (xv) 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.
- (xvi) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on **"Click here to print"** option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Members and Custodians
  - Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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** 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.

(xxi) Any person, who acquires shares of the company and become Member of the company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22 September 2018 may follow the same instructions as mentioned above for e-Voting.

(xxii) 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)

- 9) The company has appointed **Mr Vinay Kohli partner, M/s. K.K. Kapoor & Associates, Chartered Accountants** as scrutinizer for conducting the e-voting process in fair and transparent manner and he will submit his report to the Chairman within 3 days of conclusion of voting.
- 10) Members who are holding shares in identical order of names under more than one folio are requested to send the relative share certificates to the RTA for consolidation of the entire holding under one folio.
- 11) All activities for transfer of shares, dematerialization of shares, change of address etc. are carried out by the company through its Registrar and Share Transfer Agents (RTA). Members are requested to make their requests to RTA at the following address: **Alankit Assignments Limited "Alankit Heights", 1E/13, Jhandewalan Extension, New Delhi-110 055**
- 12) Documents referred to in the Notice are open for inspection at the Registered Office of the company on all working days, except holidays, between **11:00 AM to 1:00 PM**.
- 13) Members desiring any information on Accounts or other items of Agenda are requested to write to the company at its Registered Office at least ten days before the date of the Annual General Meeting so as enable the Management to keep the information ready.
- 14) **SEBI, vide its notification No.SEBI/LAD-NRO/GN/2018/24 dated 08 June 2018 has provided that no transfer of physical shares shall be effective after 180 days of the notification unless these are in dematerialized form.**
- 15) Members are requested to:
  - a) Notify the change of address with pin code, to ensure quick delivery of letters and quote their folio/ client ID & DP ID in all correspondence.
  - b) Bring their copies of Annual Report at the meeting.
  - c) Complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

- d) 

Members are requested to intimate their e-mail id for quick correspondence to the Depository Participants / [rta@alankit.com](mailto:rta@alankit.com) or register on company's website at the link <http://www.iolcp.com/registration.html>

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

### **Item No. 5**

The existing Articles of Association ("AOA") of the company is as per Companies Act, 1956. With the enforcement of Companies Act, 2013 and rules framed thereunder, the Articles of Association needs alteration since the clauses of existing Articles of Association refer to Companies Act, 1956 and also some of the existing clauses are not in conformity with Companies Act, 2013.

In order to have Articles of Association in accordance with the Companies Act, 2013 it is prudent to adopt a new Articles of Association since number of alterations required in existing Articles of Association are voluminous.

The new Articles of Association to be adopted has been placed on the website of the company [www.iolcp.com](http://www.iolcp.com) and is also available for inspection at the Registered office of the company.

In order to adopt this new set of Articles of Association, the approval of members is required by way of Special Resolution. The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the directors & key managerial personnel of the company and their relative is concerned or interested in the said resolution

### **Item No. 6**

In the light of the relevant provisions of the Companies Act, 2013, the object clause of a company is required to state the objects for which the company is incorporated and any matter considered necessary in furtherance thereof.

Accordingly, the Board of Directors at their meeting held on 11 August 2018, subject to necessary approval of the members of the company, decided to amend the object clause of Memorandum of Association of the company to the extent relevant, so as to align the same with the requirement of the Companies Act, 2013. Accordingly, under the proposed amendment, it is, inter-alia, proposed to rename the sub heading III(B) from "objects incidental or ancillary to the attainment of the main objects", to 'matters which are necessary for furtherance of the main objects', shift the objects as appearing under the sub heading 'other objects' to the said new sub heading 'matters which are necessary for furtherance of the main objects' etc. Accordingly the approval of members of the company is required by way of a special resolution for the aforesaid proposed amendment in the Memorandum of Association of the company.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

None of the directors & key managerial personnel of the company and their relatives is concerned or interested in the said resolution.

### **Item No. 7 & 8**

The appointment of Mr Varinder Gupta as Managing Director would expire on 31 August 2018. At present he is drawing remuneration of ₹ 20,00,000/- (Rupees twenty lakh) per month. The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 30,00,000/- (Rupees thirty lakh) with effect from 01 April 2018 for his remaining tenure and re-appointed him as

Managing Director for five years with effect from 01 September 2018 to 31 August 2023, subject to the approval of the members.

It is proposed to seek members' approval for revision in his remuneration and re-appointment as Managing Director on the following broad terms of his re-appointment :

a) Salary, Perquisites and allowances :

Basic Salary: ₹ 12,00,000/- (Rupees twelve lakh only) per month.

Perquisites and allowances: Not exceeding one and a half times the basic salary.

b) He shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the company.

c) Annual increment shall fall due on 1st of April of each year and as may be decided by the Board of Directors on recommendation of Nomination and Remuneration Committee.

d) He shall be a whole-time director and as such shall devote whole of his time and attention to the business of the company.

e) Subject to superintendence, control and direction of the Board of Directors, he shall have power of general direction, superintendence of the business of the company with the powers and responsibilities to do all such acts, deeds, matters and things deemed necessary, proper or expedient for carrying on the business and concern of the company.

f) He shall not enter into material, financial and commercial transactions, where he has personal interest that may has a potential conflict with the interest of company, without the approval of the Board.

g) He shall not be liable to retire by rotation.

He satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the his terms of re-appointment under Section 190 of the Act.

Details of Mr Varinder Gupta are enclosed with Notice of the meeting .

The Board commends the Special Resolutions set out at Item No. 7 & 8 of the Notice for approval by the members.

None of the directors or key managerial personnel of the company or their relatives except Mr Varinder Gupta being appointee and Mr Vikas Gupta, Executive Director being related to Mr Varinder Gupta is concerned or interested in the resolution.

**Item No. 9**

The company has re-appointed Mr Vijay Garg as Joint Managing Director for a period of three years with effect from 02 March 2016 and at present drawing gross salary of ₹14,50,000/- per month. The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 19,00,000/- with effect from 01 April 2018 for his remaining tenure subject to the approval of the members.

Details of Mr Vijay Garg are enclosed with Notice of the meeting.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

None of the directors or key managerial personnel of the company or their relatives except Mr Vijay Garg being appointee is concerned or interested in the resolution.

**Item No. 10**

The company has appointed Mr Vikas Gupta as Executive Director for a period of five years with effect from 29 May 2015 and at present drawing gross salary of ₹ 5,00,000/- per month. The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 7,00,000/- with effect from 01 April 2018 for his remaining tenure subject to the approval of the members.

Details of Mr Vikas Gupta are enclosed with Notice of meeting.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

None of the directors or key managerial personnel of the company or their relatives except Mr Vikas Gupta being appointee and Mr Varinder Gupta being related to Mr Vikas Gupta is concerned or interested in the resolution.

**Item No. 11**

As per the provisions of Section 197 of the Companies Act, 2013, a company may pay to any one of its managing director or whole-time directors remuneration individually exceeding 5% of the net profits and collectively pay to all the managing director and whole-time directors remuneration in aggregate exceeding 10% with the approval of members by way of special resolution but not exceeding 11% of the net profits of the company to all the directors for that financial year.

Accordingly it is proposed to seek approval of members to allow the Board to pay the remuneration individually to any one of the managing director or whole-time directors exceeding 5% of the nets profits and aggregate remuneration payable to the managing director and whole-time directors exceeding 10% but not exceeding 11% of the net profits of the company to all the directors for that financial year.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the members.

Except for the remuneration received, none of the directors or key managerial personnel of the company or their relatives is concerned or interested in the resolution.

**Item No. 12**

The Board in its meeting held on 16 May 2018 on the recommendation of the Audit and Risk Management Committee, approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants, New Delhi to conduct the audit of the cost accounting records maintained by the company in respect of chemicals and bulk drugs for the financial year ending 31 March 2019 and remuneration of ₹ 1,32,000/- plus goods and service tax and out-of-pocket expenses have been fixed for this purpose subject to the approval of the members.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, approval for the remuneration payable to the Cost Auditors for the financial year 2018-19 is being sought from the members.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the members.

None of the directors or key managerial personnel of the company or their relatives is, in any way, concerned or interested, in the resolution.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the directors seeking re-appointment at the Annual General Meeting:

Name of the Director	Mr Varinder Gupta	Mr Vijay Garg	Mr Vikas Gupta
Date of Birth	06 December 1962	17 January 1970	13 February 1992
Date of Appointment	01 September 2015	02 March 2013	29 May 2015
Expertise in specific functional area	Industrialist	Commercial activities of the Chemicals and Pharmaceuticals Products	Business Management
Total experience	32 years	26 years	5 year
Present profession	Managing Director	Joint Managing Director	Executive Director
Qualification	Under graduate	B.Sc (Chemistry), EPIB (IIM Kolkata), MBA Marketing	BSc. (Hons.) in Business Management from Kings College, London
Directorships in other listed companies	Nil	Nil	Nil
Chairmanship of Board Committees of other listed companies	Nil	Nil	Nil
Membership of Board Committees of other listed companies	Nil	Nil	Nil
No of shares held	11,96,965	Nil	Nil
Relationship with other directors	Father of Mr Vikas Gupta, Executive Director	Not related to any other director	Son of Mr Varinder Gupta, Managing Director

By order of the Board  
For IOL Chemicals & Pharmaceuticals Limited

**Registered Office:**

Trident Complex, Raikot Road,  
Barnala-148 101 (Punjab)

Place : Barnala  
Dated : 11 August 2018

Sd/-  
[Krishan Singla]  
Vice President and Company Secretary