

Dear members,

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

Mr Vinay Kohli, Practising Chartered Accountant has been appointed as Scrutinizer for conducting the postal ballot in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (No other Form or photocopy is permitted) duly completed, in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer upto 5:30 pm on or before Tuesday, 18 March 2014. Any response received after 18 March 2014 shall be treated as if no response is received from the member in terms of Rule 6(f) of the Companies (passing of the resolution by postal ballot) Rules, 2011.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and result of the Postal Ballot shall be announced on Wednesday, 19 March 2014 at the Registered Office of Company and through a Press Release.

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

#### **Special Business:**

##### **1. To consider the extension of date of redemption of preference shares with an option to convert these shares into equity shares**

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

“RESOLVED that pursuant to section 80, 81, 81 (1A) and other provisions applicable, if any, of the Companies Act, 1956 read with the Memorandum of Association and Articles of Association of the Company and provisions of any other Act as applicable and subject to the approval of requisite authority(ies), consent, be and is, hereby accorded to the Board of Directors of the Company ('the Board' which expression shall include the Committee of the Directors of the Company) to extend the redemption of 50,00,000, 7% Non Cumulative Redeemable Preference Shares of ₹ 10/- each from 20 March 2014 to 30 June 2015 on the following terms and conditions:

a) The shares shall carry a right to a non-cumulative preference dividend of 7% per annum in relation to the capital paid up on them that is, in case the dividend not

declared for any year, it will cease to accrue and lapse and will not be cumulated and carry forward.

- b) The shares shall be redeemable at par on 30 June 2015.
- c) The said shares rank for dividend in priority to the equity shares for the time being of the Company.
- d) The said shares shall in winding up entitled to rank in priority, as regards repayment of capital, up to the commencement of the winding up, in priority to equity shares but shall not be entitled to any further participation in profits or assets.
- e) The voting rights of the persons holding the said shares shall be in accordance with Section 87 of the Companies Act, 1956.
- f) The Company shall not create and/or issue in future preference shares ranking in priority to the said shares and in the event of the Company creating and/or issuing preference shares in future ranking parri-passu with the said shares, it would do so only with the consent in writing of the holders of not less than three-fourths of the said shares then outstanding.
- g) The dividend on any such shares becoming liable to redemption shall cease to accrue from the due date for redemption thereof.
- h) The Preference Shareholder has option to convert these preference shares into equity shares at the price calculated under SEBI formula at the time of redemption. The Shares so issued shall rank parri-passu with existing equity shares of the Company”

“RESOLVED FURTHER that the Board is authorized to do all acts, deeds, matters and things which may be considered necessary for the aforesaid purposes.”

By Order of the Board  
For IOL Chemicals and Pharmaceutical Limited

Place : Barnala  
Date: 10 February 2014

Sd/-  
(Krishan Singla)  
Vice President and Company Secretary

#### **Notes :**

- 1. An explanatory statement pursuant to section 173(2) read with section 192(A) of the Companies Act, 1956 in respect of the special business, postal ballot form and self addressed postage pre-paid envelope are annexed hereto.
- 2. Please read carefully the instructions printed in the postal ballot form.
- 3. The notice is given to all the members, whose names appear in the register of members as on 10 February 2014.

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

Redemption of 50,00,000 7% Non Cumulative Redeemable Preference Shares of ₹ 10/- each (hereinafter referred as “the preference shares”) aggregating to ₹ 5 crores, issued to sole Preference Shareholder on private placement basis falls due on 20 March 2014.

As per the provisions of Section 80 of the Companies Act, 1956, preference shares can be redeemed only out of the profits or fresh issue of the shares by the Company.

As at present the conditions are not conducive in capital market to issue fresh shares, on the request of the company, the sole preference shareholder has agreed for extension of the date of redemption of these preference shares from 20 March 2014 to 30 June 2015 with an option to convert the preference shares into equity shares at the price calculated under SEBI formula at the time of redemption, on the terms and conditions set out in the resolution. The shares so issued shall rank parri-passu with existing equity shares of the Company.

As providing an option to preference shareholder may be considered as preferential allotment of shares, the disclosures pursuant to Regulation 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are given as under:

**Objective of the Issue**

To extend the date of redemption of the preference shares on the terms and conditions as contained in the resolution including providing an option to them to convert these preference shares into equity shares at the time of redemption.

**Pricing of the issue and relevant date :**

The price for the issue of equity shares arising out of conversion of the preference shares shall be determined in accordance with SEBI Regulations.

The relevant date for the purpose of determining the price will be as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 i.e. thirty days prior to the date on which the holder of the preference shares become entitled to apply for the equity shares.

**The proposal of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer:**

The preference shareholder whose redemption is being extended is a non promoter entity.

**Proposed time for completion of allotment:**

The proposal is to extend the date of redemption of preference shares on the terms and conditions contained in the resolution including providing an option to them to convert the preference shares into equity shares.

**Lock-in-period:**

These equity shares shall be subject to lock-in for a period as prescribed under SEBI Regulations.

**Identity of proposed allottee & percentage of holding**

Trident Limited is a non promoter entity and presently not holding any equity share of the Company. As the price at the time of redemption may vary from the existing price, thus it is not possible to calculate the %age of its shareholding at present and its maximum holding will be the number of shares arrived at dividing ₹ 5 crores into the price of equity shares at the time of relevant date .

**Shareholding Pattern before and after the proposed preferential allotment**

| Category wise holding | Pre-issue shareholding |              | Post-issue shareholding after issue of equity shares on conversion of preference shares |              |
|-----------------------|------------------------|--------------|---|--------------|
|                       | No. of shares          | %age         | No. of shares   | %age         |
| <b>Promoters</b>      |                        |              |   |              |
| Indian Promoters      | 1,70,38,553            | 59.13        | 1,70,38,553   | 59.13        |
| Sub Total             | <b>1,70,38,553</b>     | <b>59.13</b> | <b>1,70,38,553</b>  | <b>59.13</b> |
| <b>Non-promoters</b>  |                        |              |   |              |
| Mutual Fund           | 10,400                 | 0.04         | 10,400  | 0.04         |
| NRIs/ OBCs            | 42,01,371              | 14.58        | 42,01,371   | 14.58        |
| Bodies Corporate      | 43,82,860              | 15.21        | 43,82,860*  | 15.21        |
| Indian Public         | 31,81,980              | 11.04        | 31,81,980   | 11.04        |
| Sub Total             | <b>1,17,76,611</b>     | <b>40.87</b> | <b>1,17,76,611*</b>   | <b>40.87</b> |
| <b>Total</b>          | <b>2,88,15,164</b>     | <b>100</b>   | <b>2,88,15,164*</b>   | <b>100</b>   |

Note : \* Holding of bodies corporate will be changed to the extend the number of shares arrived at dividing ₹ 5 crores (aggregate value of the preference shares ) into the price of equity shares at the time of relevant date.

**Auditors' certificate**

The Statutory Auditors' certificate as per SEBI Regulations shall be placed at the Registered office of the Company between 11:00 am and 1:00 pm for inspection on any working day from the date of notice upto the last day of voting under the Postal Ballot.

Pursuant to the provisions of section 80, 81, 81(1A) of Companies Act, 1956, extension of date of redemption and any offer or issue of securities in a company to any person other than the holders of the equity shares of a Company or to such holders otherwise than in proportion to the capital paid-up, requires prior approval of the members in general meeting by a Special Resolution.

The Board, accordingly recommend the Special resolution as proposed in the accompanying Notice for your approval.

None of Director except Dr M A Zahir, may be deemed concerned or interested in the resolution being a director in Trident Limited.

By order of the Board  
For IOL Chemicals and Pharmaceutical Limited

Sd/-  
(Krishan Singla)  
Place : Barnala  
Date: 10 February 2014 Vice President and Company Secretary