

K I C METALIKS LIMITED

Registered Office: "Sir RNM House" 3B Lal Bazar Street,
4th Floor, Room No. 2, Kolkata-700 001

**NOTICE OF POSTAL BALLOT
(Pursuant to Section 192A of the Companies Act, 1956)**

Dear Member(s),

Notice is hereby given that the following Resolutions are circulated for the approval of the Members of the Company to be accorded by Postal Ballot, in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, for the following matters:

1. To accord approval by an Ordinary Resolution for increase in Authorised Share Capital of the Company under Section 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and consequential amendment in Capital Clause of the Memorandum of Association of the Company,
2. To accord approval by a Special Resolution for Issue of Redeemable Preference Shares under Section 80, 81(1A) of the Companies Act, 1956 and
3. To accord approval by an Ordinary Resolution for the re-appointment of Mr. Radhey Shyam Jalan, as Chairman and Managing Director of the Company for a period of three years w.e.f. January 30, 2011 and approve the remuneration payable to him.

Accordingly, the said draft of the Resolutions along with its Explanatory Statement setting out all material facts and the reasons thereto, the requisite Postal Ballot Form along with instructions, and the Self-addressed postage prepaid envelope are enclosed for your consideration.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed and signed in the attached self addressed, postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours, on or before, **Thursday, 24th February, 2011**. Please note that any Postal Ballot Forms(s) received after the said date will be treated as not having been received. No photocopy of the Postal Ballot Form or any other form is permitted.

The Board of Directors has appointed Mr. Rakesh Agarwal., Proprietor, of M/s. Rakesh Agarwal & Co., Practicing Company Secretaries as the Scrutinizer for conducting this Postal Ballot voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman or any Director of the Company as soon as possible after the last date for receipt of Postal Ballot Forms, but not later than the closing business hours of **Thursday, 24th February, 2011**. Results of the Postal Ballot shall be declared and confirmed by the Chairman or any other director of the company on **Monday, 28th February, 2011 at 11.00 a.m.** at the Registered Office of the Company mentioned above.

Members who wish to be present at the time of declaration of results may do so at the aforementioned venue.

The members are requested to consider the following resolutions :

SPECIAL BUSINESS :

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

To consider and if thought fit, to give **assent/dissent** to the following Resolution as an Ordinary Resolution :

" RESOLVED THAT pursuant to the provisions of Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from present Rs. 20,00,00,000/- (Rupees Twenty Crores) [divided into 1,50,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Preference Shares of Rs.10/- each] to Rs. 50,00,00,000/- (Rupees Fifty Crore), [divided into 2,50,00,000 Equity Shares of Rs. 10/- each and 2,50,00,000 Preference Shares of Rs.10/- each] by creation of additional 1,00,00,000 Equity Shares of Rs.10/- each

and 2,00,00,000 Preference Shares of Rs.10/- each, ranking pari passu in all respect with existing Equity and Preference Shares of the Company.”

“ **RESOLVED FURTHER THAT** consequent upon the increase of Authorised Capital as aforesaid, subject to the approvals, consents, permission and sanctions as may be necessary from the Appropriate Authorities or Bodies, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows :-

V. “The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 2,50,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each and 2,50,00,000 Preference Shares of Rs.10/- (Rupees Ten) each with rights, privileges and conditions attaching hereto as are provided by the Articles of Association of the Company, for the time being with power to increase or reduce the capital and to divide and sub-divide the shares into several classes and to attach thereto, respectively, such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with Articles of Association of the Company for the time being and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or as provided by the Articles of Association of the Company for the time being.”

“**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to take all the necessary steps, do all such acts, deeds, matters and things and to make, execute, apply, initiate, sign and file all such application, writings, instruments, papers, documents, deeds, forms as may be necessary on behalf of the Company or as the Board may in its absolute discretion deem necessary or desirable and delegate the said authority to any person(s) as they may deem fit in their discretion, for the purpose of giving effect to this Resolution.”

Item No. 2 : Issue of Redeemable Preference Shares

To consider and if thought fit, to give **assent/dissent** to the following Resolution as a Special Resolution :

“ **RESOLVED THAT** in accordance with the provisions of Section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment hereto or re-enactment thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and subject to all necessary, statutory or regulatory approvals, consents, permissions and / or sanctions of all other Appropriate Authorities, Institutions or Bodies and all other applicable laws, issued from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” , which term shall include any committee thereof) consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue and allot, Redeemable Preference Shares, Cumulative or Non-Cumulative, at par or on premium and in such numbers as the Board may decide for a sum not exceeding Rs. 25 Crores (Rupees Twenty Five Crores only) by way of Private Placement to the Bodies Corporates, Financial Institutions, Mutual Funds or any other person/parties, whether they are holders of Equity Shares of the Company or not, in one or more tranches, in the manner and on the terms and conditions set out below and/or on such other terms and conditions, subject to the provisions of the Companies Act, 1956, as may be prescribed in granting the approvals by the Appropriate Authorities or which the Board may at its absolute discretion consider proper or expedient :

- (i) The Preference Shares will carry such rate of dividend as the Board may decide.
- (ii) This rate of dividend may vary for each series of Preference Shares to be issued.
- (iii) The dividend will be either Cumulative or Non-Cumulative as the Board may decide.
- (iv) The dividend will be calculated pro rata i.e. from the date of allotment of such Preference Shares.
- (v) The said shares rank for dividend in priority to the equity shares for the time being of the Company.
- (vi) The Preference Shares will be redeemed at such price, in one or more instalments on expiry of specified periods, as may be agreed to by the Board and the Subscriber(s).”

“ **RESOLVED FURTHER THAT** Mr. Radhey Shyam Jalan, Chairman and Managing Director of the Company and Ms. Ruchika Dhanuka, Company Secretary of the Company be and are hereby severally authorised to take such steps and do all such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the aforesaid matter and take such actions and give such directions as they may consider as necessary or desirable and to obtain any approvals, permissions, sanctions, consents from SEBI, Stock Exchanges, and such other authorities which may be necessary or desirable in relation to the issue of Redeemable Preference Shares and to give effect to the above resolution.”

Item No. 3 : Approving the re-appointment of Mr. Radhey Shyam Jalan as the Chairman and Managing Director of the Company and the overall limits of remuneration payable to him.

To consider and if thought fit, to give **assent/dissent** to the following Resolution as an Ordinary Resolution :

“**RESOLVED THAT** pursuant to provisions of Articles of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII 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) subject to such other consents, approvals and permissions if any needed, consent of the Company be and is hereby accorded to the re-appointment of Mr. Radhey Shyam Jalan, as the Chairman and Managing Director of the Company for a period of **three years** with effect from **January 30, 2011**, upon the terms and conditions including remuneration, subject to the approval of the Central Government, if any required, as are set out in the draft Agreement to be executed between the Company and Mr. Radhey Shyam Jalan and brief particulars of which are given below :

A. REMUNERATION:

Salary : Rs. 1,00,000 per month

B. PERQUISITES

Perquisites (evaluated as per Income Tax Rules, wherever applicable and actual cost to the Company in other case) such as accommodation, provision for gas, electricity, water and furnishings, medical reimbursement, leave and leave travel concession, fees of clubs, premium in respect of personal accident policies, provision of car for use on Company's business, telephone at residence, encashment of leave at the end of tenure and other benefits, in accordance with the schemes and rules of the Company for its staff, as applicable from time to time. Perquisites should be allowed in addition to the salary as but within the overall limit, if any, prescribed under Schedule XIII of the Companies Act, 1956, as amended from time to time.

C. EMPLOYER'S CONTRIBUTION TO PROVIDENT FUND/SUPERANNUATION FUND

As per Rules of the Company

D. GRATUITY

Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the Rules of the Company.”

“ **RESOLVED FURTHER THAT** wherein any financial year during the tenure of the said Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Radhey Shyam Jalan, the aforesaid remuneration as minimum remuneration”.

“ **RESOLVED FURTHER THAT** the overall remuneration to be paid to Mr. Radhey Shyam Jalan, at any time, should not exceed the overall limits as specified in Schedule XIII and other applicable provisions (including any amendment thereof), of the Companies Act, 1956.”

“ **RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board” , which term shall include any committee thereof) be and is hereby authorized to alter and vary any of the terms & conditions of the Agreement, including remuneration in such manner as may be agreed to between the Board and Mr. Radhey Shyam Jalan, subject to the provisions of Schedule XIII and other applicable provisions (including any amendment thereof), of the Companies Act, 1956 and such other approval as may be necessary”.

“ **RESOLVED FURTHER THAT** Mr. P.C.Sahoo, Executive Director or Ms. Ruchika Dhanuka, Company Secretary of the Company be and are hereby authorized jointly and/or severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By Order of the Board

For K I C Metaliks Limited
Sd/-
Ruchika Dhanuka
Company Secretary

Dated : 14th January, 2011
Place : Kolkata

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956 in respect of the business under Item No.1, 2 and 3, is annexed hereto.
2. The Notice is being sent under certificate of posting to all the members whose names appear in the Register of Members/ Record of Depositories **as on Friday, January 14, 2011.**
3. A copy of the relevant documents is open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the results of Postal Ballot.
4. The members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 1**

The present Authorised Share Capital of the Company is Rs. 20,00,00,000 (Twenty Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakh) Preference Shares of Rs.10/- each. With the growing expansion of the Company's business, it is desirable to bring the Authorised Capital of the Company in proper co-relation with the magnitude of the Company's resources and size of its undertaking. It is therefore considered advisable to increase the Authorised Share Capital of the Company.

The proposed increase requires the approval of the members in General Meeting and accordingly, the Resolution as set out in the notice is recommended. The existing Clause V of Memorandum of Association of the Company specifies the present Authorised Share Capital of your Company. Hence, the substitution of the existing Clause V of the Memorandum of Association of the Company is considered necessary in order to reflect the increase in the Authorised Share Capital of the Company.

Your approval is sought by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

None of the Directors are concerned or interested in the said Resolution except to the extent of their Shareholding and the Shareholding of their relatives, if any, in the Company.

ITEM NO. 2

In order to strengthen the finances of the Company and augmentation of the resources of the company, it is now proposed to issue Redeemable Preference Shares on Private Placement basis to promoters and other investors at the terms and conditions as agreed to by the Board of Directors of the Company and the Subscriber(s)."

The proposed issue requires the approval of the members in General Meeting and accordingly, the Resolution as set out in the notice is recommended.

Your approval is sought by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

None of the Directors are concerned or interested in the said Resolution except to the extent of their Shareholding (before and after allotment of Redeemable Preference Shares) and the shareholding of their relatives, if any, in the Company.

ITEM NO. 3

Mr. Radhey Shyam Jalan during his first term of appointment as Managing Director of the Company from 30th January, 2010 to 29th January, 2011, had done his best for all round development and growth of the Company resulting in the turnaround of organisation. Therefore, on recommendation of the Remuneration Committee, the Board of Directors of the Company, at their meeting held on 14th January, 2011, re-appointed Mr. Radhey Shyam Jalan as the Chairman and Managing Director of the Company for a further period of three years from 30th January, 2011 to 29th January, 2014, subject to the approval of the Members of the Company.

Mr. Radhey Shyam Jalan, aged 31 years is a B.Com (Hons.) graduate and a CA degree holder from the Institute of Chartered Accountants of India. Being a Chartered Accountant, with an experience of over ten years in Business Administration, he has been able to establish a niche for the Company in the business world and his re-appointment will contribute further to the growth of the Company.

In view of the turnaround of the Company due to which the Company has registered decent post tax profits in the last financial year and recent quarters, it is also proposed to pay remuneration to Mr. Jalan as mentioned in the draft Resolution and Agreement, and as approved by the Remuneration Committee of the Company, subject to the approval of the Members of the Company.

Your approval is sought by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

The draft of the Agreement, proposed to be entered into between Company and Mr. Radhey Shyam Jalan is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day up to the date of the results of Postal Ballot.

The Resolution itself may be treated as an abstract of the Agreement between Company and Mr. Radhey Shyam Jalan, pursuant to Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Radhey Shyam Jalan is concerned or interested in this Resolution since it relates to his re-appointment.

By Order of the Board
For K I C Metaliks Limited

Sd/-
Ruchika Dhanuka
Company Secretary

Dated: 14th January, 2011
Place : Kolkata