

## **NOTICE TO MEMBERS**

Notice is hereby given that the Ninety Third Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Thursday, the 18th day of September, 2014 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 2014.
2. To appoint a Director in place of Shri Laxmikumar Narottam Goculdas (holding DIN 00459347), who retires from office by rotation under Article 135 of the Articles of Association of the Company, and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, Messrs. K.S. Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 96<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017 ( subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out- of- pocket expenses at actuals. The retiring Auditors, Messrs. K.S. Aiyar & Co., Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 139 of the Companies Act, 2013 read with Companies ( Audit and Auditors ) Rules 2014."

4. **Payment of Remuneration to the Cost Auditor**

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ( the Act) and the Rules made thereunder, as amended from time to time, the Company hereby approve the remuneration of Rs.66,000 plus service tax and actual out-of-pocket expenses payable to Shri S. S. Dongare holding ICWA Registration Number, 12521, who is appointed as Cost Auditor to conduct the audit of cost records maintained by Company for the Financial Year 2014-15."

5. **Re-Appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer " and " Manager " of the Company**

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

"RESOLVED THAT subject to the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its approval for the re-appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer " and " Manager " of the Company within the meaning of the Companies Act, 2013, for a period of three years with effect from 1st April, 2014, on the following remuneration :

Salary: Rs.3,00,000/- per month.

**Perquisites:**

In addition to the above, the "Chief Executive Officer " and " Manager " shall be entitled to the following perquisites, monetary value of which shall not exceed the annual salary.

**CATEGORY "A"**

- (i) (a) House rent allowance of Rs. 29,000/- per month.  
(b) Expenditure on electricity, water, gas and furnishings at the residence to be borne by the Company.
- (ii) Medical benefits for self and family : Reimbursement of medical expenses actually incurred and reimbursement of premium paid on Mediclaim Policy, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years.
- (iii) A personal accident insurance policy for his own benefit at the cost of the Company, the premium of which shall not exceed Rs.4,000/- per annum.
- (iv) Leave Travel Concession : Actual fares, rail or air, for self and family once a year to and from any place in India.
- (v) Fees of clubs, subject to a maximum of two clubs, provided that no life membership fee or admission fee is paid.

**CATEGORY "B"**

- (i) Membership of Company's Provident Fund Scheme.
- (ii) Gratuity as per rules of the Company.
- (iii) Benefit of Company's Superannuation Scheme, subject to the condition that the Company's contribution thereto together with the contribution to Provident Fund are not taxable under the Income-tax Act.

Such contributions shall not be included in computation of ceiling on perquisites.

**CATEGORY "C"**

- (i) A car with driver for use for the business of the Company and for his personal use. For personal use of the car, the Company will bill the Chief Executive Officer and Manager.
- (ii) Telephone at residence : All charges including rental and call charges for the telephone at the residence being paid by the Company in full. For personal long distance calls, the Company will bill the Chief Executive Officer and Manager.

Car with driver for use of Company's business and telephone at residence shall not be considered as a perquisite.

The Chief Executive Officer and Manager shall further be entitled to :



Leave with salary, allowances and other benefits as per leave rules of the Company and the leave accumulated but not availed may be encashed as per Rules of the Company.

The monetary value of the perquisites will be evaluated as per the Income-tax Rules and be subject to such ceiling as may be prescribed by the Central Government.

In the event of loss or inadequacy of profits in any year, the remuneration and perquisites will be paid in accordance with the Schedule V to the Companies Act, 2013 as amended from time to time.

The above re- appointment , salary, perquisites and commission will be subject to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and subject to the consent of the shareholders of the Company.

“RESOLVED FURTHER THAT during the tenure of Shri. Bimal Lalitsingh Goculdas as the “Chief Executive Officer ” and “ Manager ”, he shall be a Key Managerial Personnel (KMP) of the Company in terms of Section 203(1)(i) of the Companies Act, 2013.”

“RESOLVED FURTHER THAT Shri D.T.Gokhale, Company Secretary, be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this Resolution.”

**6. Appointment of Shri Haridas Tricumdas Kapadia as an Independent Director**

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 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Haridas Tricumdas Kapadia (DIN:00125090), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation.”

**7. Appointment of Shri Madhu Thakorlal Ankleshwaria as an Independent Director**

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 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Madhu Thakorlal Ankleshwaria (DIN: 02753794), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation.”

**8. Appointment of Shri Arvind Wasudeo Ketkar as an Independent Director**

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 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Arvind Wasudeo Ketkar (DIN: 02863429), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation.”

**9. Appointment of Shri Shantilal Tejshi Shah as an Independent Director**

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 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Shantilal Tejshi Shah (DIN:00004850), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation.”

**10. Authority to obtain loans/borrowings under Section 180 (1) ( c ) of the 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 in supersession of the Ordinary Resolution passed pursuant to Section No. 293(1)(d) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> December, 1994 and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for borrowing moneys for the purpose of the Company’s business, notwithstanding that the moneys borrowed and to be borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however that the aggregate of all such borrowings (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) outstanding at any one time, shall not exceed Rs. 100 crores (Rupees One Hundred Crores) on account of principal.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required in its absolute discretion pursuant to above resolution.”

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### 11. Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company

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

"RESOLVED THAT in supersession of the Ordinary Resolution No. 18 passed under Section 293 (1) (a) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 7<sup>th</sup> September, 1995 and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/banks/insurance companies/other investing agencies/trustees for holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/insurance companies/other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of the loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of Rs. 100 crores (Rupees One Hundred Crores)".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to:

- (i) Finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage (s) and /or charge(s), hypothecation (s) as aforesaid, and to accept any modification (s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents  
and
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the board of Directors in the best interest of the Company."

### 12. Alteration of the Article No. 175 of the Articles of Association of the Company.

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions and Sections, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the regulations contained in the existing Article 175 (Deeds how executed) of the Articles of Association of the Company be and is hereby, altered and replaced with the following new Article 175 (Deeds how executed), of the Articles of Association of the Company :

Every deed or other instrument to which the seal of the Company is required to be affixed, shall be affixed only under the authority of the Directors previously given and in the presence of one Director or Company Secretary or such other person as may be authorized in that behalf by the Board of Directors, provided nevertheless, that certificates of shares shall be sealed as provided as per the Articles in that regard hereinbefore contained and in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force".

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

### NOTES :

1. An Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, in respect of item no. 4 to 12 mentioned above is annexed hereto:
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of Companies, Societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by on behalf of the nominating organization.  
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.  
Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
4. The Register of Members and the Transfer Books of the Company will remain closed from Thursday, the 11th September, 2014 to Thursday, 18th September, 2014 (both days inclusive).
5. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
6. Members are requested to notify changes of address, if any, to the Company.
7. NRI shareholders are requested to immediately inform (a) change in their residential status on return to India for permanent settlement and (b) particulars of NRE Account, if not furnished earlier.
8. If members have more than one folio with the Company in identical order of names, the fact should be intimated to the Company for consolidation into one folio. If further shares are bought by the members, folio number(s) should be mentioned in the forwarding letters to avoid creation of multiple folios.



9. To support the "Green Initiative", the Members who have not registered their e-mail addresses are requested to register the same with Registrars/ Depositories.
10. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by the Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on " Shareholders" tab
- (iii) 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.
- (iv) Next enter the image verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had lodged 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.
- (vi) For first time users For Members holding shares in physical form and holding shares in Demat form, the steps given below are to be followed :

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department( Applicable for both demat shareholders as well as physical shareholders). 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 last 8 digit of the demat account/Folio number in the PAN field. In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. E.g. <b>If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.</b>
Date of Birth or Date of Incorporation OR Bank Account Number	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format . OR Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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 filed. Kindly note that these 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 the 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this notice.
- (x) Click on the EVSN for (The Dharamsi Morarji Chemical Company Limited) on which you choose to vote .
- (xi) 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.
- (xii) Click on the "Resolutions File" Link if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xv) You can also take out a print of the voting done by you by clicking on " Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.
- (xvii) Note for Institutional Shareholders :

Institutional Shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to log on to <https://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 email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

After receiving the login details, they have to create a compliance user 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.

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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.

### In case of Members receiving the physical copy:

- (A) Please follow all steps from sl.no. ( i ) to sl.no. (xvii) above to cast vote.
- (B) The voting period begins on Date and Time and ends on Date and Time. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ( record date ) of ( Record Date), may cast their vote electronically. The e- voting module shall be displayed by CDSL for voting thereafter.
- (C) In case you have any queries of 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)

### Other Instructions :

- (i) The e-voting period commences on Friday, 12<sup>th</sup> September 2014 (9.00 a.m. IST) and ends on Sunday, 14<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 8<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on **8<sup>th</sup> August, 2014**.
- (iii) Ms. Ratan Kapadia, Practicing Company Secretary (Membership No. FCS No. 1395 C.P.NO. 957), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process ) in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (v) Members who do not have access to e-voting facility may return the duly completed Ballot Form in the prepaid Business Reply Envelope (enclosed with the Annual Report) so as to reach the Scrutinizer at the Registered Office of the Company not later than Sunday, 14<sup>th</sup> September, 2014 (6.00 p.m. IST).
- (vi) Members have the option to request for physical copy of the Ballot Form by sending on e-mail to [investor@dmcc.com](mailto:investor@dmcc.com) by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Sunday, 14<sup>th</sup> September, 2014 (6.00 p.m. IST). Ballot Forms received after this date will be treated as invalid.  
**A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through Ballot shall be treated as invalid.**
- (vii) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's [website www.dmcc.com](http://www.dmcc.com) and on the website of CDSL [evoting.cdsl.com](http://evoting.cdsl.com) within two days of the passing of the resolutions at the Ninety-Third AGM of the Company on 18<sup>th</sup> September 2014 and communicated to BSE Limited, where the shares of the Company are listed.

By Order of the Board

**D. T. Gokhale**  
Company Secretary

### **Registered Office:**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.  
CIN : L24110MH1919PLC000564  
Website : [www.dmcc.com](http://www.dmcc.com)  
e-mail : [dgokhale@dmcc.com](mailto:dgokhale@dmcc.com)

Date : 28th May, 2014



## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ( the Act), and Article 89(2) of the Articles of Association of the Company, the following Explanatory Statement sets out all material facts relating to the business mentioned under item Nos. 3 to 12 of the accompanying Notice dated 28<sup>th</sup> May, 2014:

### Item No. 3: Appointment of Statutory Auditors of the Company

Although it is not mandatory, the Explanatory Statement is given in respect of this item.

Messrs. K.S. Aiyar & Co., Chartered Accountants, were appointed as the Auditors of the Company to hold office from the conclusion of the previous Annual General Meeting (AGM) until the conclusion of the ensuing AGM. In view of the provisions of Section 139 of the Companies Act, 2013, and the Rules made there under, a listed Company can appoint an audit firm as the Auditors of the Company for two terms of five consecutive years and which shall be subject to ratification by the Members at every AGM. For reckoning this term, the period already served by the Firm as Auditors shall be counted. According to sub-rule 3 of Rule 6 of the Companies ( Audit and Auditors) Rules, 2014, every firm of the Auditors who has completed 7 or more years as an Auditor of the prescribed classes of Companies (including listed Companies), can be appointed as an Auditor for further period upto three years only. Messrs. K.S. Aiyar & Co., Chartered Accountants has already served as Auditors of the Company for more than 7 years. Accordingly Messrs. K.S. Aiyar & Co., Chartered Accountants is entitled to be appointed as Auditors of the Company for a further period upto 3 years. In view of the same it is proposed to appoint Messrs. K.S. Aiyar & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing AGM until the conclusion of the 96<sup>th</sup> AGM of the company and to authorize the Board of Directors to fix their remuneration . The Company has received a letter from Messrs. K.S. Aiyar & Co., Chartered Accountants to the effect that their appointment, if made, would be within the limits prescribed under the provisions of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the said Act .

The Board recommends the Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.3 of the accompanying Notice.

### Item No.4: Payment of Remuneration to the Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by cost accountant in practice. On the recommendation of the Audit Committee of Directors, the board of Directors has approved the appointment of Shri. S.S. Dongare as the Cost Auditor of the Company, to conduct audit of cost records maintained by the Company for the Financial Year 2014-15, at a remuneration of Rs. 66,000/- p.a. plus service tax and actual out-of-pocket expenses.

Shri S.S. Dongare has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. He has vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 1956.

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the accompanying Notice.

### Item No. 5 Re-Appointment of Shri Bimal Lalitsingh Goculdas as the “Chief Executive Officer” and “Manager” of the Company

The Board of Directors of the Company at its Board Meeting held on 28<sup>th</sup> May, 2014 have re-appointed Shri Bimal Lalitsingh Goculdas, subject to the approval of the shareholders at the ensuing Annual General Meeting as “Chief Executive Officer” and ‘Manager’ of the Company within the meaning of the Companies Act, 2013, for a period of three years with effect from 1<sup>st</sup> April, 2014, on the terms and conditions mentioned in the Resolution as Item No. 5.

Shri Bimal Lalitsingh Goculdas is also, the “Managing Director” of Borax Morarji Limited for a period of three years with effect from 01.04.2012, valid upto 31.03.2015. As per the terms of contract between Shri Bimal Lalitsingh Goculdas and Borax Morarji Limited, Shri Bimal Lalitsingh Goculdas shall not receive any remuneration from Borax Morarji Limited for the above period of appointment. He shall receive remuneration from the Company only.

Appointment of Shri Bimal Lalitsingh Goculdas was approved by passing resolution with the consent of all the directors present at the meeting held on 28.05.2014 and the specific notice of the said meeting and resolution to be passed was given to all the directors as per the section 203(3) of the Companies Act, 2013.

As the “Chief Executive Officer” and ‘Manager’ of the Company within the meaning of the Companies Act, 2013, he will be in-charge of and responsible for all the business operations of the Company as also perform such other functions and duties as the Board of Directors shall specify, from time to time and he shall be a Key Managerial Personnel (KMP) of the Company in terms of Section 203(1)(i) of the Companies Act, 2013.

The remuneration and terms and conditions of appointment of Shri Bimal Lalitsingh Goculdas, ‘Chief Executive Officer’ and ‘Manager’ of the Company is as per the provisions of the Companies Act, 2013 and Schedule V thereto as given in the Ordinary Resolution at item no.5 of the accompanying Notice of the Meeting.

The Board recommends the Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

None of the Directors of the Company (except Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas who are relatives of Shri Bimal Lalitsingh Goculdas), Key Managerial Personnel or their relatives are in any way, concerned or interested in the aforesaid appointment and payment of remuneration to Shri Bimal Lalitsingh Goculdas.

### Item No.6 to 9 – Appointment of Independent Directors.

The Company, at various times, had appointed Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Directors, who satisfy the criteria of being Independent directors as per Clause 49 of the Listing Agreement entered into with the Stock Exchange, Bombay and were liable to retire by rotation.

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Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from April, 01, 2014, every listed public Company is required to have at least one third of the total number of directors as independent directors, as defined in that section, who will not be liable to retire by rotation. However if the Company has Executive or Promoter Chairman on Board then at least 50% of the Board should comprise of the independent Director as per the listing agreement. Accordingly the Company needs to have and is having 50% of the strength of the Board as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Under Clause 49 of the Listing Agreement entered into with the Stock Exchange, Bombay.

The matter regarding appointment of Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Independent Directors was placed before the Nomination and Remuneration Committee of the Board of directors of the Company at its Meeting held on 9<sup>th</sup> May, 2014 and the Committee has recommended the appointment of Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Independent Directors.

Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah, Independent Directors, would have retired in an Annual General Meeting of the Company. But, this provision no longer applies as per new Companies Act, 2013. Therefore, it is not a case of appointment of new Independent Directors.

Keeping in view of the experience and expertise of the above referred directors and the contribution made by them to the Company, the Board of Directors consider it desirable that their continued association would be of immense benefit to the Company and hence the Company should continue to avail of their services and accordingly recommend the Resolutions as set out in Item Nos. 6 to 9 for approval of the members.

Further the Board of Directors of the Company are of the opinion that the above referred directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as independent directors and the requisite consent to act as the directors has been received from all the Independent Directors. Apart from the above referred Directors, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution.

The brief profile of the directors who are proposed to be appointed as independent directors are as follows :

### **Shri Haridas Tricumdas Kapadia**

Shri Haridas Tricumdas Kapadia, Director of the Company has wide knowledge and experience in industry, trade, commerce, corporate affairs and international trade. Shri Haridas Tricumdas Kapadia is B.Sc. and Diploma in Chemical Engineering. He has got wide business experience in Fertiliser and Chemical industries.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Haridas Tricumdas Kapadia for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

### **Shri Madhu Thakorlal Ankleshwaria**

Shri Madhu Thakorlal Ankleshwaria is B.Com(Hons), F.C.A.-Practising Chartered Accountant for over three decades and was Head of the Department of "Accountancy" at N.M.College of Commerce & Economics, Vile Parle, West, Mumbai 400 056. He has in-depth knowledge in Finance and Accounting and has been in practice as a Chartered Accountant.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Madhu Thakorlal Ankleshwaria for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

### **Shri Arvind Wasudeo Ketkar**

Shri Arvind Wasudeo Ketkar is B.Com(Hons), A.C.A.-Practising Chartered Accountant for over Forty years and has in-depth knowledge in Finance and Accounting.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Arvind Wasudeo Ketkar for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

### **Shri Shantilal Tejshi Shah**

Shri Shantilal Tejshi Shah is a Commerce graduate and has vast experience in marketing, finance and administration in chemical industry.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Shantilal Tejshi Shah for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

The Board recommends the Resolution at Item Nos. 6 to 9 of the accompanying Notice for approval by the Members of the Company.

These Directors are interested or concerned in the Resolutions in the accompanying Notice relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 6 to 9 of the accompanying Notice.

### **Item No.10 and 11:- Authority to obtain loans/borrowings under Section 180 (1) ( c ) and creation of mortgage / charge under Section 180 (1) ( a ) of the Companies Act, 2013.**

The shareholders vide ordinary resolution, had accorded their consent at the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> December, 1994 to the Board of Directors to borrow and at the Annual General Meeting of the Company held on 7<sup>th</sup> September, 1995 to create charges, mortgages and hypothecations as per the Companies Act, 1956.



Pursuant to Section 180 of the Companies Act, 2013, special resolution of members is required for authorizing the Board of Directors to borrow monies exceeding the aggregate of the paid- up share capital and free reserve and creation of mortgage /charge on any of the properties of the Company.

Accordingly Special Resolutions as set out in Item No. 10 & 11 of this Notice are recommended for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 10 & 11 of the accompanying Notice.

**Item No.12. Alteration of Articles of Association**

The Articles of Association of the Company ( A/A) were framed many years ago. In view of the changed circumstances and times, Company is required to execute many documents under the Common Seal of the Company and accordingly the Company is required to affix Common Seal on many documents. For operational convenience, it is now proposed that the Common Seal provision be altered to contain that Common Seal of the Company would now be affixed to any document requiring affixation of common seal in the presence of Company Secretary or such other person as may be authorized by the Board of Directors in that behalf, in addition to existing authority in favour of any one Director only, as per the existing Articles of Association of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association requires approval of shareholders by way of special resolution. Accordingly, this resolution has been placed before the shareholders for approval.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution under Item No.12 of this notice for amending the existing Article 175 of the Articles of Association of the Company to provide for the above addition in the existing Article 175.

A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.12 of the accompanying Notice.

By Order of the Board

**D. T. Gokhale**  
Company Secretary

**Registered Office:**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Date : 28th May, 2014

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**Details of the Directors, Manager seeking appointment/re-appointment at the forthcoming Annual General Meeting:  
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	Shri Laxmikumar Narottam Goculdas	Shri Bimal Lalitsingh Goculdas	Shri Haridas Tricumdas Kapadia	Shri Madhu Thakorlal Ankleshwaria	Shri Arvind Wasudeo Ketkar	Shri Shantilal Tejshi Shah
Date of Birth	17-9-1943	08-11-1968	17.02-1935	23-8-1949	14-5-1940	28-12-1938
Date of Appointment	06-3-1992	01-04-2009	06-10-1978	30-7-2009	22-1-2010	27-07-2010
Qualifications/ Expertise in specific functional areas	Industrialist with rich business experience in general	B.Chem.Engg.M.S.- Chemical Engg., U.S.A. Leading professional with wide experience in Corporate Finance in India and Abroad.	B.Sc., Diploma in Chemical Engineering Wide business experience in Fertiliser and Chemical industries.	B.Com(Hons), F.C.A.- Practising Chartered Accountant for over three decades. Ex- Head of the Department of : Accountancy" at N.M.College of Commerce & Economics, Vile Parle, West, Mumbai 400 056.	B.Com(Hons), A.C.A.- Practising Chartered Accountant for over Forty years.	B. Com, Experience in marketing, Finance and Administration in Chemical Industry
Directorships held in other companies (excluding foreign companies)	Borax Morarji Limited Gocul Gas Pvt. Ltd. Kosan Industries Pvt. Ltd. L.P.Gas Equipments Pvt. Ltd., L.P.Gas Transport & Bottling Co. Pvt. Ltd. Bombay Foods Pvt. Ltd. Phoenix Distributors Pvt. Ltd. Natural Gas Co. Pvt. Ltd. Autogas Conversion (India) Pvt. Ltd. B.S. and Service Pvt. Ltd. Phoenix Distributors Gas Agencies Bhopal Pvt. Ltd. B S and Services Gas Agencies Bhopal Pvt. Ltd. Jasraj Trading Company Pvt. Ltd.	Borax Morarji Limited	L.P.Gas Equipments Pvt. Ltd.,	Nil	Borax Morarji Limited	Aarti Industries Limited, Aarti Corporate Services Limited, Surfactant Specialities Ltd., Nascent Chemical Industries Ltd., Crystal Millennium Realtors Pvt. Ltd., Dhaval Realtors ( India) Pvt. Ltd., Radiant Entertainments Pvt. Ltd., Aarti Ventures Limited, Unidus Developers & Logistics Pvt. Ltd., Innovative Envirocare Jhagadia Limited, Kucchhi Realtors & Developers Pvt. Ltd.,
Committee position held in other committees	Member of the Audit Committee and the Chairman of the Shareholders Grievance Committee of Borax Morarji Limited	None	None	None	Member of the Audit Committee, Shareholders/Investors Grievance Committee and Nomination and Remuneration Committee of Borax Morarji Limited	Member of the Stakeholders' Relationship Committee & Finance Committee of Aarti Industries Ltd.
Shareholding	7839377	32803	11448	Nil	324	Nil
Relationship between Directors interse	Yes	Yes	No	No	No	No