



ANNUAL REPORT  
2013-2014

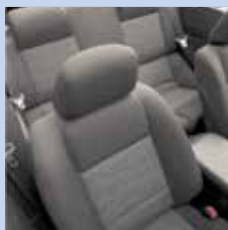
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AMINES



Alkyl Amines Chemicals Limited

# ALKYL AMINES CHEMICALS LIMITED

Thirty Fourth Annual Report 2013-14

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 34th Annual General Meeting of **ALKYL AMINES CHEMICALS LIMITED** will be held at Chandragupt Hall, 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703 on Thursday, August 7, 2014 at 2.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2014.
2. To declare dividend for the financial year ended March 31, 2014.
3. To appoint a Director in place of Mr. Kirat Patel (holding DIN 00019239), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors and to fix their remuneration.
5. To appoint cost auditors and to fix their remuneration.

### SPECIAL BUSINESS:

6. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shobhan M. Thakore (holding DIN 00031788), Director of the Company, who retires by rotation at the Annual General Meeting 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company.”
7. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Tarjani Vakil (holding DIN

00009603), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company.”

8. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Premal N. Kapadia (holding DIN 00042090), Director of the Company, who retires by rotation at the Annual General Meeting 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company.”

9. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K.R.V. Subrahmanian (holding DIN 00005292), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company.”

10. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV

to the Companies Act, 2013, Mr. Dilip G. Piramal (holding DIN 00032012), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company.”

11. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shyam B. Ghia (holding DIN 00005264), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company.”

12. 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 adopted at the 30th Annual General Meeting held on July 22, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and

is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only) over and above the aggregate of the paid-up share capital and free reserves of the Company.”

13. 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 at the Annual General Meeting of the Company held on July 22, 2010 the consent of the Company be and is hereby accorded under Section 179 and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company’s lenders on all or any of the immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/External Commercial Borrowings/Debentures etc. not exceeding Rs. 350 crores (Rupees Three Hundred and Fifty Crores only) from Financial Institutions/Banks and other agencies/ parties with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution.”

**NOTES :**

1. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out all material facts relating to Special Business at Item Nos. 6 to 13 (both inclusive) and Corporate Governance relating to the reappointment of Directors is annexed herewith.
2. Pursuant to the provisions of the Companies Act, 2013, certain items require approval of the shareholders by a Postal Ballot (including electronic voting) and not by voting at the Annual General Meeting. For this purpose, separate Postal Ballot Notices have been sent to the shareholders. However, in view of the recent judgment of the Bombay High Court in the matter of Wadala Commodities Limited with Godrej Industries Limited, and in the absence of any further clarity on the matter, members who have not cast their votes in electronic mode or not sent their postal ballots to the scrutinizer, shall be able to exercise their votes at the annual general meeting of the Company by depositing the ballot forms that shall be provided to them at such annual general meeting, in the ballot box that shall be placed at the venue of the annual general meeting of the Company. In the circumstances, the Postal Ballot Notice dated June 3, 2014 sent to the shareholders shall be deemed to form part of this Notice as regards the business to be transacted thereunder.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. 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.
4. The Register of members and Share Transfer Books will remain closed from Thursday, July 31, 2014 to Thursday, August 7, 2014 (both days inclusive) for the purpose of Annual General Meeting and dividend.
5. Dividend, if declared at the meeting, will be paid on or after August 12, 2014 to those shareholders whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on July 31, 2014.
6. (a) Please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends up to 2005-06 have been transferred to the Account of Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 7, 2013 (date of last Annual General Meeting) on the website of the Company ([www.alkylamines.com](http://www.alkylamines.com)), as also on the website of the Ministry of Corporate Affairs.  
(b) 12220 equity shares are lying in the unclaimed suspense account. Concerned shareholders have been reminded to claim their shares.
7. We have been offering the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). This is in addition to the Bank mandate facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS facility or the Bank mandate facility (if not done earlier) are requested to complete and submit the ECS/Bank Mandate Form that is also sent with this Annual Report to the Company's Registrar and Transfer Agents so as to reach them latest by July 31, 2014. Kindly note that shareholders holding shares in dematerialised form would receive their dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directives.
8. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
9. The shareholders holding shares in physical form are once again advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
10. The members may note that the Company's Equity Shares are listed on the Bombay Stock Exchange and National Stock Exchange and the listing fees to the stock exchanges have been paid.
11. Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
12. Members may also note that this Notice and the Annual Report for 2014 will also be available on the Company's website [www.alkylamines.com](http://www.alkylamines.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. 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 shareholders may also send requests to the Company's investor e-mail id: [legal@alkylamines.com](mailto:legal@alkylamines.com)
13. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General

Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The instructions are given in the attached sheet.

- II. The e-voting period commences on July 28, 2014 (9.30 am) and ends on July 30, 2014 (6.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. June 20, 2014.
- IV. Mr. V. Sundaram, Practising Company Secretary (Membership No. 2023) (C.P. No. 3373) of M/s. V. Sundaram & Co., has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- VI. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.alkylamines.com](http://www.alkylamines.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By order of the Board

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)

**Registered Office:**

401-407, Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, DBC  
Vashi, Navi Mumbai 400 703.  
CIN: L99999MH1979PLC021796

Date: June 3, 2014

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER CORPORATE GOVERNANCE AND SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 3

The members at the Annual General Meeting held on 7.8.2012 had approved appointment of Mr. Kirat Patel as Executive Director and payment of remuneration to him upto December 31, 2014. However, he retires by rotation at this meeting under the provisions of The Companies Act, 2013 and hence this resolution.

Mr. Kirat Patel, aged 61, is B. Tech. (Mechanical Engineering) from Indian Institute of Technology, Mumbai, and M.M.S. (Finance) from Jamnalal Bajaj Institute of Management, Mumbai, and has been working with the Company since its inception. He is a member of the Audit Committee, Corporate Social Responsibility Committee and Finance Committee of the Board of Directors of the Company. He is a Director of Diamines & Chemicals Limited (a company in which our company holds around 30% of the shareholding), and Chairman of its Operations Review Committee. He is also a Director of Alkyl Speciality Chemicals Limited (subsidiary of this company). He is also on the Board of the following Companies:

- 1) Anjyko Investments Private Limited
- 2) Purjeeko Investments & Trading Private Limited
- 3) YMK Trading & Consultancy Private Limited
- 4) Niyoko Trading & Consultancy Private Limited
- 5) SYK Trading & Consultancy Private Limited
- 6) Kaira Can Company Limited

Mr. Kirat Patel alongwith his relatives holds 37,869 equity shares (constituting 0.37% of the equity capital) of the company.

Mr. Kirat Patel is interested in the Resolution, since it relates to his own re-appointment. This Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### ITEM NO. 6

Mr. Shobhan M. Thakore, aged 66 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 19/04/1988. Mr. Thakore is

Chairman of the Stakeholders Relationship Committee and member of Nomination and Remuneration Committee, the Audit Committee and Finance Committee of the Board of Directors of the Company.

Mr. Shobhan Thakore is also on the Board of the following companies.

1. Bharat Forge Limited
2. Morarjee Textiles Limited
3. Uni Deritend Limited
4. Uni Klinger Limited
5. Carborundum Universal Limited
6. Sharda Cropchem Limited
7. DSP Blackrock Investment Managers Limited (Member-Advisory Board)

He is also a member of the following Committees:

1. Bharat Forge Ltd. (Member of Audit Committee)
2. Morarjee Textiles Ltd. (Member of Audit Committee & Chairman of Investor Grievance Committee)
3. Carborundum Universal Ltd. (Chairman of CSR Committee)

Mr. S.M. Thakore is a well-known Solicitor and is a Partner of Talwar Thakore & Associates, a leading Solicitor Firm. Mr. Thakore holds 5,540 equity shares in this company.

Mr. Thakore retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Thakore being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the 39th Annual General Meeting of the Company. A notice has been received from a member proposing Mr. Thakore as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Thakore fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Thakore as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that with his vast experience in the industry, Mr. Thakore's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Thakore as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Thakore as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Thakore, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement

may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **ITEM NO. 7**

Ms. Tarjani Vakil is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 11/08/2005. Ms. Vakil is Chairperson of Corporate Responsibility Committee of the Board of Directors of the Company.

Ms. Tarjani Vakil, aged 77 years, is ex-Chairman of Export-Import Bank of India. She is also on the Board of the following Companies:

1. DSP Black Rock Trustee Company Private Limited
2. Aditya Birla Nuvo Limited
3. Idea Cellular Limited
4. Aditya Birla Trustee Company Private Limited
5. Birla Sun Life Insurance Company Limited

She is also Chairperson of Audit Committees of Aditya Birla Nuvo Limited and Member of Audit Committees of Birla Sun Life Insurance Company Limited, Idea Cellular Limited and DSP Black Rock Trustee Company Private Limited. She is also a Member of Finance Committee of Birla Sun Life Insurance Company Limited and Compensation Committee of Idea Cellular Limited.

Ms. Vakil retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms. Vakil being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the 39th Annual General Meeting. A notice has been received from a member proposing Ms. Vakil as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Vakil fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Vakil as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that with her vast experience in the industry, Ms. Vakil's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Vakil as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Vakil as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Vakil, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**ITEM NO. 8**

Mr. Premal N. Kapadia, aged 65 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 20/07/1999. Mr. Kapadia is also a Member of the Audit Committee of the Board of Directors of the Company.

He is also on the Board of the following Companies:

1. Technimont ICB Pvt. Ltd.
2. Harshadray Pvt. Ltd.
3. TUV India Pvt. Ltd.
4. Integrated Industrial Quality Management Pvt. Ltd.
5. Kaira Can Co. Ltd.
6. Protos Engg. Co. Pvt. Ltd.
7. Silicon Interfaces Pvt. Ltd.
8. Silicon Interfaces America Inc.
9. Providian Global Solutions Pvt. Ltd.
10. De Nora India Limited
11. The West Coast Paper Mills Ltd.
12. ThyssenKrupp Industries India Pvt. Ltd.
13. Nimco Rata Iron Ore & Minerals Exports Pvt. Ltd.
14. Sujata Resources Pvt. Ltd.
15. Sujata Commodities International Ltd., Dubai
16. Sujata Commodities Services DMCC, Dubai.
17. Lucror Analytics Pte. Ltd., Singapore.
18. Clarity Solutions Pvt. Ltd.

He is also a member of the following Committees:

1. The West Coast Paper Mills Ltd. (Member of Audit Committee and Remuneration Committee)
2. De Nora India Limited (Member of Remuneration Committee)
3. Kaira Can Co. Ltd. (Chairman of Share Transfer Committee)

Mr. Kapadia retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Kapadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting. A notice has been received from a member proposing Mr. Kapadia as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Kapadia fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kapadia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered

Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that with his vast experience in the industry, Mr. Kapadia's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kapadia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kapadia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kapadia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**ITEM NO. 9**

Mr. K.R.V. Subrahmanian, aged 80 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 1999. Mr. Subrahmanian is Chairman of the Audit Committee of Board of Directors of the Company.

Mr. K.R.V. Subrahmanian is also on the Board of the following companies.

1. DSP Blackrock Investment Managers Limited
2. Bayer Material Science Private Limited
3. Lanxess India Private Limited
4. New Consolidated Construction Company Limited
5. Printcare India Private Limited
6. DSP Blackrock Pension Fund Managers Private Limited

He is also member of the following Committees:

1. DSP Blackrock Pension Fund Managers Pvt. Ltd. (Chairman of Audit Committee)
2. New Consolidated Construction Company Limited (Chairman of Share Allotment Committee and Member of Compensation Committee)
3. DSP Blackrock Pension Fund Managers Pvt. Ltd. (Risk Management Committee)

The period of office of Mr. Subrahmanian is liable to determination by retirement by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Subrahmanian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting. A notice has been received from a member proposing Mr. Subrahmanian as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Subrahmanian fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy

of the draft letter for appointment of Mr. Subrahmanian as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that with his vast experience in the industry, Mr. Subrahmanian's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Subrahmanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Subrahmanian as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Subrahmanian, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **ITEM NO. 10**

Mr. Dilip Piramal, aged 64 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 1980. He is also a member of our Nomination & Remuneration Committee. Mr. Piramal is Chairman of VIP Industries Limited.

Mr. Piramal is also on the Board of the following companies.

1. KEC International Limited
2. DGP Securities Limited
3. Kiddy Plast Limited
4. Gazelle Travels Private Limited
5. DGP Enterprises Pvt. Ltd.
6. DGP Capital Management Ltd.

He is also a member of the Audit Committee, Remuneration and Compensation Committee and Investors' Grievances & Share Transfer Committee of VIP Industries Limited.

The period of office of Mr. Piramal is liable to determination by retirement by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Piramal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting. A notice has been received from a member proposing Mr. Piramal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Piramal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Piramal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that with his vast experience in the industry, Mr. Piramal's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Piramal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Piramal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Piramal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **ITEM NO. 11**

Mr. S. B. Ghia, aged 66 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 1980. He is Chairman of our Nomination & Remuneration Committee and member of Stakeholders Relationship Committee and Audit Committee. Mr. Ghia is Chairman & Managing Director of Futura Polyesters Limited.

Mr. Ghia is also on the Board of the following companies.

1. Sonata Software Limited
2. AVT Natural Products Limited
3. Innovassynth Technologies (India) Limited
4. Innovassynth Investments Limited
5. FPL Properties Developers Pvt. Ltd.

He is also member of the following Committees:

1. Futura Polyesters Ltd. (Chairman of Transfer Sub Committee and Common Seal Committee and Member of Investor Grievances Committee)
2. Sonata Software Ltd. (Chairman of Investor Grievances Committee and Member of Audit Committee and Remuneration Committee)
3. AVT Natural Products Ltd. (Member of Audit Committee and Remuneration Committee)
4. Innovassynth Technologies (I) Ltd. (Chairman of Audit Committee)

The period of office of Mr. Ghia is liable to determination by retirement by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ghia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting. A notice has been received from a member proposing Mr. Ghia as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Shyam B. Ghia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ghia as an Independent Director setting out the terms and conditions would be available

for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that with his vast experience in the industry, Mr. Ghia's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ghia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ghia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ghia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**ITEM NO. 12**

The members of the Company at their 30th Annual General Meeting held on July 22, 2010 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 250 Crores (Rupees Two Hundred and Fifty Crores only). The Company's fund and non-fund based sanctioned limits with its Bankers for working capital and long term loans as on March 31, 2014 amounts to Rs. 210 crores (Rupees One Hundred and Thirty Five Crores only). In view of the fact that the Company proposes to expand its activities, it is proposed to increase the borrowing limits to Rs.350 crores (Rupees Three Hundred and Fifty Crore only).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money, where the money to be borrowed together with the money already borrowed by the Company will be in excess of the aggregate of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only) which is in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

**ITEM NO. 13**

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 12, the Company may have to create further charges/mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs.350 crores is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 13 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 12.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

The above proposals are in the interest of the Company and the Directors recommend the Resolution Nos. 6 to 13 (both inclusive) of this Notice for consent and approval by the Members.

By order of the Board

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)

**Registered Office:**

401-407, Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, DBC  
Vashi, Navi Mumbai 400 703.  
CIN: L99999MH1979PLC021796

Date: June 3, 2014

## FINANCIAL HIGHLIGHTS

₹ in Lakhs

Year Ending	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014
Gross Revenue (Including Excise Duty & Sales Tax)	23,739.97	26,058.24	31,836.94	40,667.01	49,443.03
Profit before interest, depreciation & Taxation	3,646.52	3,309.74	4,473.11	5,890.03	8,660.55
Profit before Tax	1,589.86	1,360.68	2,368.25	3,592.82	6,462.41
Profit After Tax	1,003.68	1,040.49	1,716.38	2,393.20	4,288.06
Gross Fixed Assets	18,846.29	20,344.44	21,913.58	23,576.45	26,764.49
Net Fixed Assets	11,202.16	12,120.15	12,798.36	13,503.01	15,738.84
Net Current Assets	8,605.62	7,636.74	8,949.42	12,095.22	13,968.15
Equity Share Capital	1,020.61	1,020.61	1,020.60	1,020.60	1,020.60
Reserve & Surplus (Incl. Deffered Taxation (Net))	7,662.72	8,199.97	9,535.58	11,492.20	15,098.19
Book Value (Rs)	85.15	90.41	103.51	122.70	158.06
Earning per Share - Basic (Rs)	9.84	10.20	16.83	23.47	42.05
Equity Dividend (%)	30.00	30.00	40.00	50.00	80.00
<b>Financial Ratios</b>					
Net Sales to Gross Fixed Assets (%)	113.44	113.96	128.45	152.26	164.50
Return on on Capital Employed (%)	25.05	18.29	25.37	29.29	37.49
Return on Net worth (%)	11.56	11.28	16.26	19.13	26.60
PAT to Net Sales (%)	4.69	4.49	6.10	6.67	9.74

**Note:**

Financial Highlights for year 2010-11 onwards are based on Revised Schedule VI