



We believe in excellence

COLOURS, INTEGRATION, INNOVATION



28th ANNUAL REPORT
2013-2014

MESSAGE FROM THE CHAIR



Dear Shareholders,

I welcome you all and it gives me enormous pleasure to address you in our 28th Annual General Meeting.

I am highly delighted to inform you that your company is back in the profit after two exceptional and unfortunate years. Your continued conviction, encouragement and support to the company are what give us energy, enthusiasm, self-assurance and motivation to try hard for the betterment.

In recent times, the whole Chemicals industry is witnessing electrifying era like never before and the industry has discovered itself in a sweet spot given proven technical capabilities developed over a decades of manufacturing experience. The industry had recovered in the country and in same time china has slow down the production of chemicals product due to pollution related affair and it has created wide fortune for the chemicals industry in India.

As I look forward, the business opportunities are expanding as never before. The major user of dyes in India are textiles, papers, plastics, and foodstuffs. Textile being the largest end-user of dyestuff in India followed by leather together consuming majority of the domestic production. With the textile sector being driven by steady domestic demand and strong export demand textile sector is likely to remain the largest consumer of the dyestuffs.

Earlier Indian dye industry faced hazard of low-priced imports from China. However, in current time demand has moved to India due to stronger Yuan vis-à-vis Indian Rupee, technological and awareness advancement of Indian Industry in the area of environment compared to china, substantial reduction in export incentive and electricity subsidy at China, cheaper labor etc. All these have compact competitiveness of Chinese exports and will seems to sustain in future.

Furthermore India and China are the major supplier at globe level. Both countries are now strict in following the implementation of various environment and pollution norms and provide environment safety and this has lead the players to either exit or reduce the size of operations by many small units in India and forced shutdown of many dye intermediate units in China. This has resulted in restricted supply of dyestuffs in domestic market and the same has benefited large and integrated domestic players like Bodal Chem and that resulted in increase in sales volume and improved realization in the financial year and also will remain in the coming years.

Current Financial year 2014-15:

The current year started equally promisingly in the industry. The company has performed well during the first quarter of the current financial year 2014-15 and results of the First quarter which was declared on 30-07-2014, shows that the growth phase has continued. The year on year growth for June quarter of current year compared to June quarter of previous year, are as under:

- Total Revenue from the operations increase from Rs.178.87 Crore to Rs.381.10 Crore – increase by 113.06%
- EBIDTA jumps from Rs.16.89 Crore to Rs. 93.91 Crore – increase by 456.01%
- Net profit increase from Rs.1.86 crore to Rs.52.01 crore – increase by 2696.24%
- Cash Profit increase from Rs.6.82 crore to Rs.59.32 crore – increase by 769.79%
- EPS for the quarter is Rs.4.77.

The Company expects to book a turnover for the financial year 2014-15 in range of 1150 to 1350 crores and net profit in the range of Rs. 115 to 135 crores.

During the year 2014-15, your company has made repayment of its total outstanding CDR (Corporate Debt Restructuring) debt i.e. Rs.11,700.98 lacs towards its WCTL (Working Capital Term Loan) and FITL (Funded Interest Term Loan) taken from the banker of the company i.e. Union Bank of India and Bank of India. This repayments has resulted overall reduction in secured debts and Finance cost of the company.

Due to this repayment company becomes eligible and has approached its bankers i.e. Union Bank of India and Bank of India to take it out of the implemented CDR package

I wish to place on record my deep gratitude to all of you for your unstinted support towards our journey. Also I express my sincere gratitude to my team in Bodal Chem for their support and valuable guidance. I also like to thank the Union Bank of India and Bank of India for their continued support extended to the Company, under Corporate Debt Restructuring (CDR). I also take this opportunity to thank the Government of India and the State Government for their support and co-operation.

I would like to assure you that your company will strive to capitalize by remaining focus on operational excellence and to remain committed to deliver strong growth and enhance 'shareholders and other stakeholders' values in every possible ways.

Warm regards,

Yours sincerely,

Suresh J. Patel

Chairman & Managing Director

(This does not purport to be part of the proceedings at the meeting)

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** will be held on **Monday, the 22nd September, 2014 at 11.00 A.M.** at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business :

ORDINARY BUSINESS:

1. a. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2014 and 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 appoint a Director in place of **Mr. Ankit S. Patel (Holding Din: 02173231)**, who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.
"**RESOLVED THAT** the M/s. Mayank Shah & Associates, Chartered Accountants(Firm Registration No.: 106109W), Ahmedabad, the retiring Auditors of the Company be and are hereby reappointed as an Auditors of the Company to hold office till conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period."

SPECIAL BUSINESS:

4. **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, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing agreement, **Mr. Surendra N. Shah (DIN: 00160401)**, non-executive director of the Company who retires by rotation at the Annual General Meeting and in respect of whom 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 five consecutive years for a term up to 21st September, 2019, not liable to retire by rotation."

5. **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, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing agreement, **Mr. Sunil K. Mehta (DIN: 01736527)**, non-executive director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom 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 five consecutive years for a term up to 21st September, 2019, not liable to retire by rotation."

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, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing agreement, **Mr. Bipin R. Patel (DIN: 01186974)**, non-executive director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom 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 five consecutive years for a term up to 21st September, 2019, not liable to retire by rotation."

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

"**RESOLVED THAT** in supersession of an earlier resolution passed in the 21st Annual General Meeting(AGM) of the Company held on 29th September, 2007 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of the Members, in the terms of the aforesaid section of the Companies Act, 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 thereof), for borrowing from time to time, any sum or sums of monies as it may deem proper for the purpose of Company business which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paidup capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.1,000 crores(Rupees One Thousand crores).

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

- 8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**
- “RESOLVED THAT** in supersession of an earlier resolution passed in the 21st Annual General Meeting (AGM) of the Company held on 29th September, 2007 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of the Members, in the terms of the aforesaid section of the Companies Act, 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 thereof) to create such charges and / or mortgages and / or hypothecations in addition to the existing charges and / or mortgages and / or hypothecations created by the Company, on such movable and immovable properties of the company wheresoever situate, both present and future, and in such manner as the Board may deem fit, to secure up to Rs.1,000 Crores (Rupees One Thousand crores).
- RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments as may be required in its absolute discretion pursuant to the above Resolution.”
- 9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**
- “RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions and rules made under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V thereof and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the company be and is hereby accorded to revise the terms of remuneration of Basic Salary of Mr. Suresh J. Patel (DIN: 00007400), Chairman and Managing Director of the Company, from Rs.3,00,000/- p.m. to Rs.6,00,000/- p.m., with effect from 1st April, 2014, for the remaining period of his tenure i.e. upto 12th May, 2015 and with no alteration in other terms of his appointment, as approved earlier.
- RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”
- 10. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-**
- “RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions and rules made under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V thereof and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the company be and is hereby accorded to revise the terms of remuneration of Basic Salary of Mr. Bhavin S. Patel (DIN: 00030464), Executive Director of the Company, from Rs. 1,00,000/- p.m. to Rs. 4,00,000/- p.m. and payment of commission up to 1.5% of the net profits of the Company, with effect from 1st April, 2014, for the remaining period of his tenure i.e. upto 12th May, 2015 and with no alteration in other terms of his appointment, as approved earlier.
- RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”
- 11. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-**
- “RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions and rules made under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V thereof and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the company be and is hereby accorded to revise the terms of remuneration of Basic Salary of Mr. Ankit S. Patel (DIN: 02173231), Executive Director of the Company, from Rs.1,00,000/- p.m. to Rs. 4,00,000/- p.m. and payment of commission up to 1.5% of the net profits of the Company, with effect from 1st April, 2014, for the remaining period of his tenure i.e. upto 23rd May, 2016 and with no alteration in other terms of his appointment, as approved earlier.
- RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

By Order of Board of Directors
For, Bodal Chemicals Limited

Place : Ahmedabad
Date : 30th July, 2014

Ashutosh B. Bhatt
Company Secretary

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting of the company may appoint a proxy to attend and vote on a poll on his behalf and proxy need not to be member of the Company. The instrument appointing a proxy must be deposited with the company at its registered office not less than 48 hours before the time for holding the meeting.
A person can act as a 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. 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 a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the annual general meeting.
3. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
5. Members who hold shares in dematerialized form are requested to write their client id and DP Id numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting.
6. The Register of Members and Share Transfer Book of the company will be closed from **Saturday, the 13th September, 2014 to Monday, the 22nd September, 2014** (both days inclusive) for the purpose of Annual General Meeting.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or contact our Registrar and Transfer Agent i.e. Sharepro Services (India) Pvt Ltd.
8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the "financial years 2005-06 (Final Dividend) and 2006-07(Interim Dividend), from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the 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 30th September, 2013 (date of last Annual General Meeting) on the website of the Company (www.bodal.com), as also on the website of the Ministry of Corporate Affairs.
9. Members wishing to claim their unclaimed dividend of 2006-07 (Final Dividend), 2007-08 (Interim as well as Final Dividend), 2009-10 (Interim as well as Final Dividend) and 2010-11 (Final Dividend), are requested to correspond with said Registrar and Transfer Agent (RTA) or Secretarial Department at the Registered office of the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or contact our Registrar and Transfer Agent i.e. Sharepro Services (India) Pvt Ltd.
11. Members are requested to contact our Registrar and Transfer Agent for any query related to shares, dividend and other inquiry at following address.
Unit : Bodal Chemicals Ltd.
Sharepro Services (India) Pvt Ltd.
(Ahmedabad Branch)
416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, AHMEDABAD-380006.
Tel Nos.079 26582381 to 84, Fax No 079 26582385, Email sharepro@shareproservices.com
Contact Person: Ms. Bharti Parikh
 - Please Quote folio no. / DP ID & CL ID for any communication for your shareholding.
 - Bring the copy of Annual Report at the meeting.
12. The Company's equity shares are presently listed and traded at Bombay Stock Exchanges Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) The Company has paid the listing fees to BSE and NSE for the financial year 2014-15.
13. The details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on 22nd September, 2014 are covered in the Corporate Governance Report forming part of annual report.
14. **Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.**
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

16. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
17. Members may also note that the Notice of the 28th AGM and the Annual Report 2013-14 will be available on the Company's website, www.bodal.com. 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. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at secretarial@bodal.com.
18. Members who have not registered their e-mail addresses so far are requested to register their email address so that they can receive the Annual Report and other communication from the Company electronically.

By Order of Board of Directors
For, Bodal Chemicals Limited

Place : Ahmedabad
Date : 30th July, 2014

Ashutosh B. Bhatt
Company Secretary

EXPLANATORY STATEMENT **Pursuant to Section 102 of the Companies Act, 2013**

Item No. 4, 5 & 6 :

Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are Independent Directors of the Company and have held the positions as such for more than 5 (five) years in the Company.

Mr. Surendra N. Shah has joined Board of Directors in the year 2006; Mr. Sunil K. Mehta and Mr. Bipin R. Patel have joined Board of Directors in the year 2007.

Mr. Surendra N. Shah and Mr. Sunil K. Mehta are qualified Chartered accountants and having the wide experience in Accounts, Audit and Financial Management. Mr. Bipin R. Patel is graduate in B.A. and LL.B. and having wide experience in the chemical industry.

Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are directors whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, being eligible and offering themselves for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to 21st September, 2019 and not liable to retire by rotation. A notice has been received from the members along with the deposit of requisite amount under section 160 of the Act, proposing Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel as a candidate for the office of Director of the Company.

Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder.

In the opinion of the Board, Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are independent of the management.

Brief resume of Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, 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. 4, 5 and 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the shareholders.

Item No. 7 & 8 :

As per the provision of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the members, borrow monies in excess of the aggregate of the paid-up share capital of the Company and its free reserves.

As per the resolution passed by the Shareholders of the Company in the 21st Annual General Meeting held on 29th September, 2007, the Board of Directors of the Company were authorised to borrow money and to created charge/ mortgage/ hypothecation upto a limit not exceeding Rs. 500 Crores (Rupees Five Hundred Crores Only). The increasing business operations and future growth plans of the Company would necessitate enhancing of the borrowing limits. A resolution for enhancing the limits is

proposed, by authorizing the Board of Directors to borrow further funds amounting, in aggregate to a sum of not more than Rs. 1000 Crores (Rupees One Thousand Crore Only).

The borrowings of the Company are, in general, required to be secured by suitable mortgage/ charge/hypothecation on all or any other movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by Board of Directors of the Company, from time to time, in consultation with the lender(s), hence it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013, for creation of charges/ mortgages/hypothecations on Company's assets for an amount not exceeding the limit of Rs. 1000 Crores (Rupees One Thousand Crore Only).

Your Directors recommend the resolution no. 7 & 8 to be passed as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested in resolution no. 7 & 8 of the accompanying notice.

Item No. 9, 10 & 11 :

Mr. Suresh J. Patel had been re-appointed as Chairman and managing Director and Mr. Bhavin S. Patel had been appointed as Executive Director of the company by the Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 14th May, 2012 for the period of Three (3) years with effect from 13th May, 2012 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Annual General Meeting held on 28th September, 2012.

Mr. Suresh J. Patel and Mr. Bhavin S. Patel have been giving their valuable services as a Chairman and Managing Director and Executive Director of the company since 13th May, 2006 respectively. Mr. Suresh J. Patel has been re-appointed as a Chairman and Managing Director and Mr. Bhavin S. Patel has been appointed as an Executive Director on 13th May, 2012 without any increase in managerial remuneration. The Board of Directors, on recommendation of nomination and remuneration committee, revised the remuneration terms of Mr. Suresh J. Patel, Chairman & Managing Director and Mr. Bhavin S. Patel, Executive Director, after considering various factors like their responsibilities to the company, growth and expansion projects of the company and Industry scenario.

Mr. Ankit S. Patel had been re-appointed as Executive Director of the company by the Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 11th February, 2013 for the period of Three (3) years with effect from 28th May, 2013 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Extra Ordinary General Meeting held on 23rd March, 2013.

Mr. Ankit S. Patel has been giving his valuable services as an Executive Director of the company since 24th May, 2008. Mr. Ankit S. Patel has been re-appointed as an Executive Director on 24th May, 2012 without any increase in managerial remuneration. The Board of Directors, on recommendation of nomination and remuneration committee, revise the remuneration terms of Mr. Ankit S. Patel, Executive Director, after considering various factors like his responsibilities to the company, growth and expansion projects of the company and Industry scenario.

The revised basic salary and commission payable with effect from 1st April, 2014 for the remaining period of his tenure for the below mentioned managerial personnel, subject to the revision by the Nomination and Remuneration Committee from time to time, is as follows:

1. Mr. Suresh J. Patel : Rs.6,00,000/- per month.
2. Mr. Bhavin S. Patel : Rs.4,00,000/- per month and commission upto 1.5% of net profit.
3. Mr. Ankit S. Patel : Rs.4,00,000/- per month and commission upto 1.5% of net profit.

Further, other terms of their appointment and remuneration remains unaltered, as approved earlier by the members, as stated above.

Mr. Suresh J. Patel is founder promoter of the company. He has very wide and rich experience in the chemical industry specifically in manufacturing of Dyes and Dyes Intermediates. He is instrumental in the strategic decision-making and production of high quality Dyes and Dyes Intermediates. He has ability to stay ahead of competition and offered maximum price advantage to Customers. It is in the interest of the company to avail his valuable services for the further growth and conduction of affairs and business of the company. The company can increase and revise the terms of the remuneration for the remaining tenure of his service with effect from 01st April, 2014 as set out in resolution no.9 of the accompanying notice.

Mr. Bhavin S. Patel is part of promoter group of the company and he is giving his valuable service to the company since 2006. He is elder son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of dyestuff business of the company. The company can increase and revise the terms of the remuneration for the remaining tenure of his service with effect from 01st April, 2014 as set out in resolution no.10 of the accompanying notice.

Mr. Ankit S. Patel is part of promoter group of the company and he is giving his valuable services in the company since 2008. He is younger son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of business of the company. The company can increase and revise the terms of the remuneration for the remaining tenure of his service with effect from 01st April, 2014 as set out in resolution no.11 of the accompanying notice.

Your Directors recommend the resolution no. 9, 10 & 11 to be passed as a Special Resolution.

None of the Directors and Key managerial personnel or their relative other than Mr. Suresh J. Patel, himself and Mr. Bhavin S. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.9.

None of the Directors and Key managerial personnel or their relative other than Mr. Bhavin S. Patel, himself and Mr. Suresh J. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.10.

None of the Directors and Key managerial personnel or their relative other than Mr. Ankit S. Patel, himself and Mr. Suresh J. Patel and Mr. Bhavin S. Patel, relatives of him, are interested in the resolution of Item No.11.

The approval of members is required for revision of terms of remuneration. Your Directors, therefore, recommend special resolutions for approval of the members.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. General Information:

(1) Nature of industry

The Company is well-known in the field of manufacturing Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals. Dyestuff is further used in Textile, Leather and Paper Industry. The Company has total 8 separate units having manufacturing facilities located in Gujarat.

(2) Date or expected date of commencement of commercial production

The Company was incorporated on 24th September, 1986 as private limited company and the Company had commenced its business.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(4) Financial performance based on given indicators

(Rs. In Lacs)

	FY 2013-14		FY 2012-13		FY 2011-12	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross revenue	96320.41	96322.48	52772.55	53349.43	60482.72	61520.12
Profit Before Tax	4708.36	4659.32	(3086.15)	(3306.42)	(3865.98)	(4081.22)
Profit For the period	3065.33	3016.28	(2112.27)	(2332.54)	(2831.61)	(2978.44)

It may be noticed from the above table that the standalone and consolidated performance was affected due to the globally slowdown of economy and global recession for the previous years i.e 2012-2013 and 2011-2012. However, the performance of the company for the financial year 2013-2014 has improved significantly due to most of the global economies having recovered from a slowdown.

(5) Foreign investments or collaborators, if any.

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.

II. Information about the appointee:

(1) Background details

of Mr. Suresh J. Patel, Mr. Bhavin S. Patel and Mr. Ankit S. Patel is given in the Brief Resume above.

(2) Past remuneration (last two years): (In lacs)

	Mr. Suresh J. Patel		Mr. Bhavin S. Patel		Mr. Ankit S. Patel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Salary	36.00	36.00	12.00	12.00	12.00	12.00
HRA	12.00	12.00	6.00	6.00	6.00	6.00

(3) Job profile and his suitability

Mr. Suresh J. Patel has been leading the BCL since 2006. He is one of the founder promoters of the Company and is associates with the Company since inception, he has through foresight and visionary approach, coupled with sound understanding of the Chemicals industries & its related issues, has led the company to the path of growth.

Mr. Bhavin S. Patel is giving his valuable service to the company since 2006. He is Part of promoter group of the company. He is young and dynamic personality, who contributed significantly in development of dyestuff business of the company domestic as well as globally.

Mr. Ankit S. Patel is giving his valuable service to the company since 2008. He is Part of promoter group of the company. He is young and dynamic personality, who contributed significantly in development of the business of the company.

(4) Remuneration proposed

Details of Remuneration proposed is as given in the statement pursuant to section 102.

(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of the Chairman & Managing Director and other two Executive Directors and the responsibilities shouldered by them and the industry benchmarks, the remuneration drawn by them is much below the line, compared to remuneration packages paid to similar senior level person in other Companies.

Details of Annual remuneration package in different companies of similar line of business for similar post/ person:

Sr.No.	Name of the Company	Position	Annual Remuneration package (Rs. In lacs)
1.	Tata Chemicals Ltd	Managing Director	346.51
2.	Tata Chemicals Ltd	Executive Director	261.28
3.	Meghmani Organics Ltd.	Managing Director	48.00
4.	Atul Ltd.	Managing Director	152.50

(6) Pecuniary relationship(s) directly or indirectly with the Company, Co-relationship with the managerial personnel, if any:

Besides the remuneration paid to all three persons, they do not have any pecuniary relationship with the Company other than what has been mentioned under related party transactions in annual report 2013-2014.

Further, all three persons are also holding equity shares in the Company.

III. Other information:

(1) Reasons of loss or inadequate profits

The company's performance has adversely impacted due to external headwinds like uncertainty in global market, higher inflation and volatility in crude prices, fluctuation in currency and high interest rate and many more. Hence, company have inadequate profit during the previous year.

(2) Steps taken or proposed to be taken for improvement

Company is making all efforts to cope up with the challenges and situation of Chemical industry through continuous cost cutting at all levels of operations while ensuring that efficiency and operations are not been hampered.

The Company is also taking steps for the process improvements, imparting training to the workforce on the continued basis, developing and improved customer services to mitigate the growing cost pressure. The Company has put its customers above everything and has striven to offer maximum values to its customers through price advantage, quality of goods, delivery of goods in time. In this way company has confidence and ability to outperform in the Dyestuff industry.

(3) Expected increase in productivity and profits in measurable terms.

With the aforesaid step, The Company has recouped its entire loss of previous years i.e 2012-13 and 2011-12 and also performed well during the current financial year. Its Company's ability to reduce the cost and on the same time get better margin together with purchasing efficiencies and also improvement in manufacturing yield and control over the expenses helped in increasing profitability of the company.

iv. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the resolutions and explanatory statement as stated above. Further, the existing remuneration terms and conditions of them are also disclosed under Corporate Governance Report in Annual Report 2013-2014.

By Order of Board of Directors
For, Bodal Chemicals Limited

Place : Ahmedabad
Date : 30th July, 2014

Ashutosh B. Bhatt
Company Secretary

BODAL CHEMICALS LIMITED
CIN : L24110GJ1986PLC009003

Regd. Office : Plot No.123-124,Phase-1,GIDC,Vatva,Ahmedabad-382 445

VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business as detailed in the Notice may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company had fixed **Friday, the 22nd August, 2014 as the record date (cut-off Date)** for determining voting rights of shareholders entitled to participating in the e-voting process.

In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-Voting on all the resolutions placed by the Company on E-Voting system.

The e-voting facility will be available during the following period:

Commencement of E-Voting	From 9.00 a.m. (IST) on Monday, 15th September, 2014
End of E-Voting	Up to 6.00 p.m.(IST) on Wednesday, 17th September, 2014

During this period, members of the Company may cast their vote electronically. The E-Voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the members shall not be allowed to change it subsequently.

The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 22nd August, 2014.

Also note that you can opt for only one mode of voting i.e., either through e-Voting or physical ballot form. If you opt for e-Voting, then you should not vote through ballot form and vice versa. However, in case you cast your vote(s) through e-Voting and ballot form, then voting done through e-Voting shall prevail and voting done through ballot form will be treated as invalid.

The instructions for members for voting electronically (both for physical holders as well as demat holders) are as under:-

- (i) Open your web browser during the voting period and Log on to the e-voting website **www.evotingindia.com**
- (ii) Click on “Shareholders” tab to cast your vote(s).
- (iii) Now Enter your User ID
 - a. For account holders in CDSL: 16 digits beneficiary ID,
 - b. For account holders in 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 logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing login id and password is to be used.
- (vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date (record date) i.e. August 22, 2014 in the Dividend Bank details field .