



NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED
43rd ANNUAL REPORT (01-10-2003 - 31-03-2005)

AMG
ARVIND MAFATIA GROUP

A LIFETIME CAREER OF SERVICE TO INDUSTRY & SOCIETY

(Shri. Arvind N. Mafatlal – A Profile)



Shri. Arvind N. Mafatlal retired as Chairman & Director of NOCIL, during the financial year. He has been a pioneer in the field of Petrochemicals in India and established the first integrated petrochemicals and polymer complex in Thane, Maharashtra then known as NOCIL and PIL. As a measure of recognition of his service to NOCIL from its inception, the Board of Directors unanimously decided to appoint Shri. Arvind N. Mafatlal as Chairman Emeritus for life.

Shri. Mafatlal has, throughout his distinguished career demonstrated the ability to balance business pursuits with devotion to philanthropic and spiritual causes. As a leading industrialist of the country, he has been associated at the highest levels with many Trade Bodies and Academic Institutes. Notable among these are his stints as Director of the Reserve Bank of India and Industrial Development Bank of India, Trustee of Bombay Port Trust, Chairman of the Development Council for Textile Machinery

(Government of India), Member of the Agricultural Credit Board of Reserve Bank of India, Member of the Central Advisory Council of Industries etc.

As someone who is closely interested in furthering the cause of Education and Research in the country, Shri. Mafatlal has served as Chairman of the Executive Council, National Chemical Laboratory, Pune, Member of the Advisory Committee of Indian Institute of Technology, Powai, Mumbai, Member of the Board of Governors, Indian Institute of Management, Ahmedabad, Member of the Governing Body of CSIR, Chairman of Shri. Bhagubhai Mafatlal Polytechnic and College of Engineering etc.

It is, however, through his unwavering involvement and tireless personal efforts in support of humanitarian causes that Shri. Mafatlal's true character shines through. As Chairman and Managing Trustee of Shri. Sadguru Seva Sangh Trust, Mumbai, he takes keen interest in organising and supervising free eye camps in backward and adivasi areas of different states. More than 6,00,000 operations have been carried out in 75 camps by the Trust. Shri. Mafatlal has also set an example for the world at large by his personal involvement in organising and participating in relief and rehabilitation work during major national calamities like Koyna earthquake (1968), South Gujarat floods (1968), Rajasthan famine (1969), Bihar famine (1970), drought conditions in Maharashtra etc. Even in recent years, he personally worked for the rehabilitation of victims of Orissa cyclone and Gujarat earthquake.

His association with BAIF (Formerly Bharatiya Agro Industries Foundation) from 1967, culminating in his nomination as Chairman in 1977, resulted in exemplary implementation of various community development and relief projects for sustainable rural development, food security and clean environment. He, along with the legendary freedom fighter Shri. Manibhai Desai, has done remarkable work in the field of Cattle Development, Community Kitchen in drought affected states, establishment of Animal Health Laboratory facilities, programmes for Tribal Rehabilitation, Water & Land Resources Development etc. The sincere approach of BAIF under Shri. Mafatlal's leadership evoked active responses from State Governments and various organisation like NABARD who came forward to add to this movement.

His long and illustrious career is studded with many awards and recognitions like Business Leadership Award by the Madras Management Association (1971), Indian Merchants Chamber Award (1975), Sir Jehangir Ghandy Gold Medal for Industrial Peace by XLRI, Jamshedpur, The Lions Humanitarian Award by the International Association of Lions Club (USA) for sight related activities, "Citizen of Bombay" award by the Rotary Club of Bombay etc.

We are indebted and grateful to Shri. Arvind N. Mafatlal for his contributions to the growth of industry and the well being of society by being an exemplary leader who has lived by his values.

We, in NOCIL, now dedicate ourselves to continue our journey on the path shown by him over these past decades.



Arvind N. Mafatlal

Chairman – Emeritus

DIRECTORS

Hrishikesh A. Mafatlal

Chairman

Rohit Arora*

T. D. Chaudhuri

(IIBI Nominee)

Berjis Desai*

N. M. Dhuldhoya

(upto 29th July, 2005)

V. R. Gupte*

Maj. Gen. (retd.) S.C. N. Jatar

(ICICI Bank Nominee)
(from 5th August, 2004)

S. K. Mahapatra

(GIC Nominee)

Vishad P. Mafatlal*

N. Sankar*

C. R. Gupte*

Managing Director**

* Appointed with effect from 29th July, 2005.** Appointed as Managing Director with effect from 1st August, 2005.**SECRETARY**

U. M. Karnik

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MANAGEMENT TEAM

Hrishikesh A. Mafatlal

Chairman

C. R. Gupte

Managing Director

S. R. Deo

Vice President – Technical

R. M. Gadgil

Vice President – Marketing

S. R. Iyer

Vice President –
Manufacturing

U. M. Karnik

Vice President – Legal
& Company Secretary

S. D. Ghate

General Manager – Personnel
& Administration

C. S. Inamdar

General Manager – Marketing
& Technical Services

A. Sivaraman

General Manager – Purchase

P. Srinivasan

General Manager – Finance

REGISTERED OFFICE:Mafatlal House
H. T. Parekh Marg
Backbay Reclamation
Churchgate
Mumbai - 400 020.**PLANT:**C-37, Trans Thane Creek
Industrial Area
Off. Thane Belapur Road
Navi Mumbai – 400 701.
Maharashtra.**BANKERS:**ABN - Amro Bank
Bank of India
Canara Bank
Corporation Bank
HDFC Bank Limited
State Bank of India
State Bank of Indore
Union Bank of India**AUDITORS:**C. C. Chokshi & Co.
Chartered Accountants**SOLICITORS & ADVOCATES:**Crawford Bayley & Co.
Manilal Kher Ambalal & Co.



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FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday 6th September, 2005, to Thursday 15th September, 2005 (both days inclusive).
2. The shares of the Company have been brought under compulsory dematerialisation. All the shareholders are requested to convert their shareholdings from physical form to demat form.
3. The members are requested to quote their Folio Number in all correspondence and also to notify immediately, change of address, if any to the Registrar & Share Transfer Agents, Sharepro Services (India) Pvt. Ltd., Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099.
4. Pursuant to the provisions of section 205 of the Companies Act, 1956, the Company has transferred unclaimed dividends for the financial year 31st March, 1997 and unclaimed fixed deposits upto 31st March, 1998 to the Investor Education and Protection Fund. Unclaimed dividend for the financial year ended 31st March, 1998, will be transferred to the Investor Education and Protection Fund.
5. Members who have not received their dividend for the subsequent years are requested to immediately forward their claim to the Company to facilitate the payment.
6. Members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting as the practice of distributing copies of the Report at the Meeting has been discontinued, and also to bring with them their Attendance Slip which may be submitted at the entrance duly signed.

Registrar & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.

Office:

Satam Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road
Chakala, Andheri (East)
Mumbai- 400 099.
Tel.: 2821 5168, 2821 5169.
Fax: 2837 5646.
E-mail : sharepro@vsnl.com

Investor Relation Centre:

912, Raheja Centre,
Free Press Journal Road, Nariman Point
Mumbai - 400 021.
Tel.: 2282 5163, 2288 4527
Fax: 2282 5484.

43rd Annual General Meeting

Date : 15th September, 2005.

Day : Thursday.

Time : 4.00 p.m.

Place : Patkar Hall, S.N.D.T. Womens' University
1, Nathibhai Damodar Thackersey Road
Mumbai - 400 020.



NOTICE

The FORTY THIRD Annual General Meeting of the Members of National Organic Chemical Industries Limited will be held at 4.00 p. m. on Thursday, 15th September, 2005, at Patkar Hall, S. N. D. T. Women's University, 1, Nathibhai Damodar Thackersey Road, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the period 1st October, 2003 to 31st March, 2005 and the Balance Sheet as at 31st March, 2005 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Hrishikesh A. Mafatlal, who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Vishad P. Mafatlal, who retires by rotation under Article 157A of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:
 "RESOLVED THAT pursuant to sections 224, 224A and other applicable provisions, if any of the Companies Act, 1956, M/s. C. C. Chokshi & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors apart from out-of-pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT Mr. Rohit Arora who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 29th July, 2005, and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT Mr. Berjis Desai who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 29th July, 2005, and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Director of the Company."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT Mr. C. R. Gupte who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 29th July, 2005, and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Director of the Company."
8. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT Mr. N. Sankar who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 29th July, 2005, and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Directorship of the Company, be and is hereby appointed as a Director of the Company."
9. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT pursuant to the provisions of sections 198, 269 and 309 read along with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the appointment and terms of remuneration of Mr. C. R. Gupte, as the Managing Director of the Company for a period of five years with effect from 1st August, 2005, upon the terms and conditions set out in the Agreement entered into with him, which Agreement is hereby specifically approved with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. C. R. Gupte."
 "RESOLVED FURTHER THAT where in any financial year closing after 31st March, 2005, the Company has no profits or if its profit are inadequate, the Company may pay to Mr. C. R. Gupte the above remuneration by way of salary, perquisites and other allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under section II of Part II of Schedule XIII of the Companies Act, 1956 or such remuneration as may be approved by the Central Government under clause (4) of section 198 of the Companies Act, 1956."



"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to take such steps as may be necessary to give 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 pursuant to the provisions of section 309 (7) and other applicable provisions, if any, of the Companies Act, 1956, the Company in the General Meeting do hereby renew the Special Resolution authorising the payment of commission at the rate of upto 1% of the net profits of the Company computed in the manner as laid down under sections 198, 349 and 350 of the Companies Act, 1956, in each year to the Directors of the Company other than the Managing Director and Whole-time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years from 1st September, 2004, and that such commission as may be divided by the Board of Directors of the Company amongst such Director or Directors and / or any ex-Director(s) including Alternate Directors and in such manner or proportion and on such basis as they may in their discretion decide."

11. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Clause 49 of the Listing Agreement entered with the various Stock Exchange(s), the Board of Directors of the Company be and are hereby authorised to fix and pay sitting fees for attending meetings of the Board of Directors and / or Committees thereof to the Non-Executive Directors (including Independent Directors) within the limits prescribed by the Central Government under provisions of section 310 and other applicable provisions of the Companies Act, 1956, if any, as amended from time to time."

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

"RESOLVED THAT pursuant to the provisions of clause 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the voluntary delisting of the equity shares of the Company from The Stock Exchange, Ahmedabad and The Calcutta Stock Exchange Association Limited, Kolkata."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to take such steps as may be necessary to give effect to this resolution."

By Order of the Board
For NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED

(U. M. Karnik)
Secretary

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Registered Office:
Mafatlal House
H. T. Parekh Marg, Backbay Reclamation
Churchgate
Mumbai - 400 020.
Date: 16th August, 2005.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 6th September, 2005 to 15th September, 2005 (both days inclusive).
4. All the documents relating to the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office at Mafatlal House, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400 020.
5. Reappointment of Directors:

At the ensuing Annual General Meeting Mr. Hrishikesh A. Mafatlal and Mr. Vishad P. Mafatlal are due to retire by rotation. Mr. Hrishikesh A. Mafatlal being eligible, offers himself for re-appointment. Mr. Vishad P. Mafatlal was appointed as a Director of the Company on account of casual vacancy caused due to retirement of Mr. Arvind N. Mafatlal. According to section 262 of the Companies Act, 1956, read along with Article 157 A of the Articles of Association of the Company, Mr. Vishad P. Mafatlal holds office upto the date upto which Mr. Arvind N. Mafatlal would have held office. Mr. Arvind N. Mafatlal was due to retire by rotation at this Annual General Meeting. Mr. Vishad P. Mafatlal holds office upto this Annual General Meeting and being eligible offers himself for re-appointment.



Pursuant to Clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of Mr. Hrishikesh A. Mafatlal and Mr. Vishad P. Mafatlal are given below:

Particulars	Hrishikesh A. Mafatlal	Vishad P. Mafatlal
Qualifications	Mr. Hrishikesh A. Mafatlal holds a Honours Degree in Commerce from the Sydenham College, Mumbai. In 1993, he attended the Advanced Management Programme (AMP) at the Harvard Business School, United States.	Mr. Vishad P. Mafatlal is a B. Sc. (Economics) University of Pennsylvania, Wharton School, United States.
Expertise in Specific Functional Areas	Mr. Hrishikesh A. Mafatlal is the Vice Chairman of Mafatlal Industries Limited and Chairman & Managing Director of Navin Fluorine International Limited. Mr. Hrishikesh A. Mafatlal is major interest in Petrochemicals, Chlorofluorocarbons, Textiles, Garments, Financial Services, Speciality Chemicals, Fine Chemicals etc.	Mr. Vishad P. Mafatlal, has business experience of more than eight years in Textiles and Chemicals.
Directorships held in other Companies	Cebon Apparels Pvt. Ltd. Eyeindia.com Pvt. Ltd. Mafatlal Asset Management Mafatlal Burlington Industries Ltd. Mafatlal Industries Ltd. Mafatlal Ltd., UK Mafatlal Securities Ltd. Mafatlal Services Ltd. Marigold International Pvt. Ltd. MIPA Investments (Pvt.) Ltd. Molex Mafatlal Micron Ltd. PAMIL Investments Pvt. Ltd. Navin Fluorine International Ltd. Romaga (UK) Ltd. Romaga AG, Zurich Silvia Apparel Ltd. Sunanda Industries Ltd. Sushripada Investments Pvt. Ltd. Suvin Technologies Ltd. Suvin Technologies Pte. Ltd., Singapore Vibhadeep Investments & Trading Ltd.	Mafatlal Services Ltd. Mafatlal Burlington Industries Ltd. Sunanda Industries Ltd. Tropical Clothing Co. Pvt. Ltd. Cebon Apparels Pvt. Ltd. Eyeindia.com Pvt. Ltd. Suvin Technologies Ltd. Suvin Technologies Pte. Ltd., Singapore, Intouch Communications Pte. Ltd. Mafatlal Fabrics Pvt. Ltd. Silvia Apparel Ltd. Sarvamangala Holdings Pvt. Ltd. Eyeglobal Technologies Pvt. Ltd. Marigold International Pvt. Ltd. Myrtle Chemtex Trading Pvt. Ltd. Mayflower Chemtex Trading Pvt. Ltd. Navin Fluorine International Ltd.
Memberships/ Chairmanships of Committees across Public Companies	Mr. Hrishikesh A. Mafatlal is on the Managing Committee of the Indian Institute of Management, Ahmedabad (IIMA) The Mill Owners Association, Mumbai (MOA) The Indian Cotton Mills Federation (ICMF) and The Cotton Textiles Export Promotion Council (TEXPROCIL)	NIL

ANNEXURE TO THE NOTICE

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

The following Explanatory Statement sets out all the material facts relating to item Nos. 4 to 12 mentioned in the accompanying Notice.

Item No. 4:

According to the provisions of section 224A of the Companies Act, 1956, the appointment of the Auditors of the Company is required to be made by means of a Special Resolution if, the combined share holding of the Public Financial Institutions, Nationalised Banks and Insurance Companies in the Company exceeds twenty-five percent of the paid up equity share capital of the Company. It is, therefore, necessary to pass the resolution for appointment of Auditors of the Company as a Special Resolution in accordance with the provisions of section 224A of the Companies Act, 1956.

The Board recommends the re-appointment of M/s. C. C. Chokshi & Co. as the Auditors of the Company.

None of the Directors of the Company are concerned or interested in the above resolution.

**Item Nos. 5 to 8:**

Mr. Rohit Arora, Mr. Berjis Desai, Mr. C. R. Gupte and Mr. N. Sankar were appointed as Additional Directors by the Board of Directors of the Company at its meeting held on 29th July, 2005. As per section 260 of the Companies Act, 1956, all the above Directors hold office only upto the date of the forthcoming Annual General Meeting of the Company, and are eligible for re-appointment. The Company has received Notices under section 257 of the Companies Act, 1956, in respect of each of the above candidates, proposing their appointment as a Director of the Company, along with the requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the Annexure attached to the Notice. Keeping in view the experience and expertise of these persons, their appointment as Directors of the Company is recommended for approval.

Each of the Directors proposed to be appointed shall be deemed to be concerned or interested in the resolution relating to his own appointment. Mr. V. R. Gupte being a relative of Mr. C. R. Gupte shall also be deemed to be concerned or interested in the resolution at Sr. No. 7.

Item No.9:

The Board of Directors of the Company have on the recommendation of the Remuneration Committee at its meeting held on 29th July, 2005, approved the appointment of Mr. C. R. Gupte as the Managing Director of the Company for a period of five years effective from 1st August, 2005.

The terms of remuneration of Mr. C. R. Gupte as the Managing Director of the Company will be as under:

- I) (a) Salary of Rs.2,00,000/- (Rupees Two Lacs only) per month including Dearness Allowance.
- (b) Perquisites and Allowances the aggregate monetary value of which shall not exceed Rs.5,00,000/- (Rupees Five Lacs only) per annum or as may be decided by the Board from time to time. These perquisites and other allowances will be in addition to items mentioned in point no. III below.
- (c) In the absence or inadequacy of profits in any financial year, the Company will pay to Mr. C. R. Gupte the above remuneration as minimum remuneration subject to the limits prescribed under section II of Part II of Schedule XIII or such remuneration as may be approved by the Central Government under clause (4) of section 198 of the Companies Act, 1956.
- (d) The salary and perquisites as mentioned under (a), (b) and (c) above will be exclusive of:
 - (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity at the rate of one month's salary for every completed year of service or part thereof in excess of six months on the basis of the last drawn salary.
 - (iii) Leave as per the rules of the Company including encashment of leave at the end of the tenure.
- II) Commission not exceeding 1% of the net profits of the Company to be computed in the manner laid down in section 309(5) of the Companies Act, 1956 subject to a maximum as may be fixed by the Board from time to time on the basis of the performance of the Company.
- III) Apart from the above mentioned remuneration, he shall be entitled to:
 - (a) Furnished Residential Accommodation. In case no accommodation is provided by the Company, he will be entitled to a suitable House Rent Allowance.
 - (b) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim policy for hospitalisation.
 - (c) Expenses actually and properly incurred by him in the course of legitimate business of the Company.
 - (d) Long Service Benefit of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.
 - (e) Club Membership Fees subject to a maximum of two Clubs.
 - (f) Personal Accident Insurance Policy.
 - (g) Provision for use of motor car with driver and telephone at residence for both official and personal use.
 - (h) Life Insurance as per the rules of the Company.
- IV) In compliance with the provisions of sections 269, 309 and other applicable provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members for approval.
- V) The draft Agreement between the Company and Mr. C. R. Gupte is available for inspection by the Members of the Company at its Registered Office during the working hours on any working day of the Company.
- VI) Mr. V.R. Gupte and Mr. C. R. Gupte shall be deemed to be concerned or interested in Item No. 9 of the Notice.
- VII) This may be treated as an abstract of the terms of the contract between the Company and Mr. C. R. Gupte, pursuant to section 302 of the Companies Act, 1956.

**Item Nos.10 and 11:**

- a) A commission upto one per cent of the net profits of the Company computed in the manner as laid down under section 198 of the Companies Act, 1956, in each year was sanctioned for payment to the Directors of the Company by a Special Resolution passed at the Annual General Meeting held on 30th November, 1964. Under the provisions of section 309 (7) of the Companies Act, 1956, the aforesaid Special Resolution is effective for a period of five years but the same can be renewed from time to time by a Special Resolution for a further period of not more than five years. The said resolution has been renewed from time to time and it was last renewed for a period of 5 years upto 31st August, 2004, at the Annual General Meeting of the Company held on 28th December, 1999.

It is, therefore, proposed to renew the said Special Resolution pursuant to section 309 (7) of the Companies Act, 1956, authorising the payment of commission upto one per cent of the net profits of the Company as computed in the manner laid down in section 198 of the Companies Act, 1956, in each year to the Directors of the Company including ex-Directors and Alternate Directors, other than the Managing Directors and the whole-time Directors of the Company for a further period of five years from 1st September, 2004, in terms of section 309 (7) of the Companies Act, 1956.

- b) Securities and Exchange Board of India has revised Clause 49 of the Listing Agreement which relates to the Corporate Governance requirements to be fulfilled by the listed Companies. All listed Companies have to comply with the revised Clause 49 of the Listing Agreement by 31st December, 2005. One of the requirements stipulated under the revised Clause 49 is that all the fees / commission / compensation payable to the Non-Executive Directors, including the Independent Directors, shall be fixed by the Board of Directors and shall be approved by the Members in General Meeting.

At present the Company is paying Rs.5,000/- (Rupees Five Thousand only) as sitting fees to all the Non-Executive Directors of the Company, for attending each meeting of the Board of Directors and the Committees thereof.

According to Rule 10-B of the Companies (Central Government's) General Rules & Forms, 1956, the Company can pay a sum upto Rs.20,000/- (Rupees Twenty Thousand only) by way of sitting fees to its Directors.

The resolution is proposed to authorise the Board of Directors of the Company to fix and pay the sitting fees to the Non-Executive Directors of the Company within the limits prescribed under Rule 10-B.

All Directors of the Company, except the Managing Director, Mr. C. R. Gupte, may be regarded as concerned or interested in the resolutions at the Items Nos. 10 and 11 to the extent it concerns their respective remuneration and payment of sitting fees.

Item No.: 12

The equity shares of the Company are listed on The Stock Exchange, Mumbai, National Stock Exchange of India Limited, Mumbai, The Stock Exchange, Ahmedabad and The Calcutta Stock Exchange Association Limited, Kolkata. As per clause 5.1 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, a Company is permitted to voluntarily delist its equity shares, subject to the following conditions:

1. The securities of the Company have been listed for a minimum period of 3 years on any of the Stock Exchanges.
2. The Company obtains the approval of the shareholders of the Company by way of a Special Resolution.

The guidelines further provides, that an exit opportunity need not be given to the investors, if the securities of the Company are listed on the Stock Exchanges having nation wide terminals. Since the equity shares of the Company have been listed on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited, Mumbai for a period of more than 3 years the Company is entitled to seek voluntary delisting of its equity shares from The Stock Exchange, Ahmedabad and The Calcutta Stock Exchange Association Limited subject to the approval of the shareholders of the Company.

None of the Directors shall be deemed to be concerned or interested in the resolution.

Annexure to the Notice**Mr. Rohit Arora:**

Qualification:	Mr. Rohit Arora is a Fellow Member of the Institute of Chartered Accountants of India, New Delhi.
Expertise in Specific Functional Areas	Mr. Arora has over two decades of experience in business process outsourcing, investment banking and management consultancy.
Directorships held in other Companies	A. R. Credit Information Services Pvt. Ltd., ARCIS International Pvt. Ltd. (Mauritius), ARCIS e Services Pvt. Ltd., Asia Investments Pvt. Ltd., Caair Travel Pvt. Ltd., EMR Technology Ventures Ltd., Menkel Teroson India Pvt. Ltd., Profile Estates Pvt. Ltd.
Memberships / Chairmanships of Committees across Public Companies	NIL

**Mr. Berjis Desai:**

Qualification:	Mr. Berjis Desai has done his graduation from the Elphinstone College. He is a Law Graduate and stood first in the Solicitor's Exams held by the Mumbai Incorporated Law Society.
Expertise in Specific Functional Areas	Mr. Desai is an eminent Lawyer and is the Managing Partner of J. Sagar Associates, Advocates & Solicitors.
Directorships held in other Companies	Sterlite Industries (India) Limited, Praj Industries Limited, Onward Technologies Limited, Adlabs Films Ltd., Piramyd Retail Limited, Emcure Pharmaceuticals Limited, Bp Ergo Limited, Watson Wyatt India Pvt. Limited, 3d Plm Software Solutions Limited, Isagro (Asia) Agrochemicals Pvt. Ltd., Cashtech Solutions India Pvt. Ltd., Vadhvan Port Pvt. Limited, Business Asia Consulting Pvt. Ltd., Centrum Fiscal Pvt. Ltd., Seafreight Pvt. Ltd., Ferrari Express (I) Pvt. Ltd. Agribuys.Com. (India) Pvt. Ltd., Capricorn Studfarm Pvt. Ltd., Capricorn Agrifarms & Developers Pvt. Ltd., Jakari Express Pvt. Ltd., Jakari Holdings Pvt. Ltd., Capricorn Plaza Pvt. Ltd., Capricorn Group Pvt. Ltd., Capricorn Castle Pvt. Ltd., Capricorn Residency Pvt. Ltd., Centrum Finance Limited
Memberships / Chairmanships of Committees across Public Companies	Member of the American Arbitration, London Court of International Arbitration, ICC-India, Indian Council of Arbitration.

Mr. C. R. Gupte:

Qualification:	Mr. C. R. Gupte is a B. Sc. and a Fellow Member of the Institute of Chartered Accountants of India, New Delhi.
Expertise in Specific Functional Areas	Mr. Gupte is having experience of about 30 years in dealing with the Financial, Marketing and Commercial matters of the Rubber Chemicals Division of the Company including as Head of this business for the last 10 years.
Directorships held in other Companies	NIL
Memberships / Chairmanships of Committees across Companies	NIL

Mr. N. Sankar:

Qualification:	Mr. N. Sankar holds a Masters Degree in Chemical Engineering from the Illinois Institute of Technology, Chicago, United States.
Expertise in Specific Functional Areas	Mr. N. Sankar has interest in the fields of Chlorochemicals, Speciality Chemicals, Shipping, Engineering, Insurance and Cement.
Directorships held in other Companies	F. L. Smidth Ltd., SHL Research Foundation, N. Shankar Properties and Holdings Private Limited, Chennai Willingdon Corporate Foundation, Chennai Heritage, Bata India Ltd., Sanmar Engineering Corporation Ltd., AMP Sanmar Life Insurance Company Ltd., Sanmar Holdings Ltd., SHL Securities (Alpha) Ltd., NS Family Consolidations Private Ltd., The India Cement Ltd.
Memberships / Chairmanships of Committees across Public Companies	Institute of financial Management & Research Academy for Management Excellence (ACME)

By Order of the Board
For National Organic Chemical Industries Limited

(U. M. Karnik)
Secretary

Registered Office:
Mafatlal House, H. T. Parekh Marg,
Backbay Reclamation, Churchgate
Mumbai – 400 020.
Date: 16th August, 2005.