



# *EXTENDING OUR* CAPABILITIES



ARVIND MAFATLAL GROUP  
The ethics of excellence

# Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements—written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried, wherever possible to identify such statements by using

words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should

known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri H. A. Mafatlal	Chairman
Shri T. M. M. Nambiar	Director
Shri P. N. Kapadia	Director
Shri S. S. Lalbhai	Director
Shri S. M. Kulkarni	Director
Shri V. P. Mafatlal	Director
Shri S. G. Mankad	Director
Shri H. H. Engineer	Director (w.e.f 23-10-2013)
Shri A. K. Srivastava	Finance Director
Shri S. S. Khanolkar	Managing Director

## COMPANY SECRETARY

Shri N. B. Mankad

## BANKERS

State Bank of Hyderabad  
AXIS Bank Limited  
HDFC Bank Limited

## AUDITORS

Messrs Deloitte Haskins & Sells  
Chartered Accountants

## SOLICITORS

Vigil Juris

## REGISTERED OFFICE

2<sup>nd</sup> Floor Sunteck Centre 37/40 Subhash Road  
Vile Parle (East) Mumbai 400057  
Tel: 91 22 6650 9999, Fax: 91 22 6650 9800  
E-mail: info@nfil.in, Website: www.nfil.in

## UNITS

Navin Fluorine, Surat 395023 (Gujarat)  
Navin Fluorine, Dewas 455022 (M.P.)

## REGISTRAR & SHARE TRANSFER AGENT Sharepro Services (India) Pvt. Ltd.

Samhita Warehousing Complex 2<sup>nd</sup> floor  
Gala No. 52 to 56 Bldg. No.13A-B  
Near Sakinaka Telephone Exchange Andheri-Kurla Road  
Sakinaka Mumbai 400072  
Tel: 91 22 6772 0300 / 0400, Fax: 91 22 2859 1568 /  
2850 8927  
E-mail: sharepro@shareproservices.com

## INVESTOR RELATIONS CENTRE

### Sharepro Services (India) Pvt. Ltd.

- |  |   |
|--|---|
| 1. 912 Raheja Centre<br>Free Press Journal Road<br>Nariman Point<br>Mumbai 400021<br>Tel: 91 22 6613 4700<br>Fax: 91 22 2282 5484<br>E-mail: sharepro@shareproservices.com | 2. Devnandan Mega Mall<br>Office No. 416-420 4 <sup>th</sup> floor<br>Opp. Sanyas Ashram<br>Ahmedabad 380006<br>Tel: 079 2658 2381 / 84 |
|--|---|

## 16<sup>th</sup> ANNUAL GENERAL MEETING

On Wednesday, 25 June, 2014  
At 3.00 p.m. at Rama Watumull Auditorium  
K. C. College Dinshaw Wacha Road  
Churchgate Mumbai 400020

- Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
- Shareholders are requested to bring their copy of Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
- The Listing Fees for the year 2014-15 have been paid by the Company to Mumbai, Ahmedabad and National Stock Exchanges where the shares of the Company are listed.

# NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 16<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Wednesday, the 25 June, 2014 at 3.00 p.m. at Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020 to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Audited Financial Statements including the Statement of Profit and Loss for the year ended 31 March, 2014 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To confirm the payment of Interim Dividend on equity shares for the year 2013-14 and to declare a final dividend for the year 2013-14 on equity shares.
3. To appoint a Director in place of Shri V. P. Mafatlal (holding DIN 00011350) who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors, to hold office from the conclusion of this meeting until the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company and to fix their remuneration.

## SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Shri H. H. Engineer (holding DIN 01843009) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23 October, 2013, in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and Article 127 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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 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, Shri T.M.M. Nambiar (holding DIN 00046857), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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, 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, Shri P. N. Kapadia (holding DIN 00078673), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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, 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, Shri S.S. Lalbhai (holding DIN 00045590), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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, 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, Shri S.M. Kulkarni (holding DIN 00003640), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years ."

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, 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, Shri S.G. Mankad (holding DIN 00086077), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years ."

11. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in supersession of the Ordinary Resolution passed at the Extra Ordinary General Meeting of members held on 10 January, 2003 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 ₹ 150 crores (Rupees one hundred fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and settle with the lenders concerned, all deeds, documents and writings for the purpose of borrowings and to do all such acts, deeds and things as may be necessary and expedient for giving effect to the aforesaid resolution."

12. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any of the Companies Act, 2013, payment of Remuneration of ₹ 2.50 lacs (Rupees two lacs fifty thousand only) (apart from re-imbursement of out-of-pocket expenses incurred for the purpose of Audit) to Shri I. V. Jagtiani, Cost Auditor (Membership Number M-997) for conducting the audit of Cost Accounting Records relating to the chemical products manufactured by the Company for the year 1 April, 2014 to 31 March, 2015 be and is hereby approved and ratified."

Regd. Office:  
2<sup>nd</sup> floor Sunteck Centre  
37/40 Subhash Road  
Vile Parle (East)  
Mumbai 400057

Place : Mumbai  
Dated : 28 April, 2014

By Order of the Board,  
N.B. Mankad  
Company Secretary



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.**
2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos.5 - 12 mentioned in the above Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday the 16 June, 2014 to Friday the 20 June, 2014 (both days inclusive) for the purpose of payment of dividend, if any.
4. The final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on 30 June, 2014.

In order to enable the Company, to directly credit the dividend amount in the bank accounts:

- a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.
- b) Shareholders holding shares in physical form are requested to provide the following details along with an authorization letter allowing the Company to directly credit the dividend in their bank accounts:

Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch address, Account type and account number, IFSC code and MICR code and a copy of cancelled cheque.

5. The shareholding of Independent Directors seeking appointment / re-appointment at this meeting are as under:  
 Shri H. H. Engineer - Nil shares, Shri T. M. M. Nambiar - 1000 shares, Shri P. N. Kapadia - 1385 shares, Shri S. S. Lalbhai - 1000 shares, Shri S. M. Kulkarni - Nil shares and Shri S. G. Mankad - Nil shares.
6. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The Company has already transferred the unclaimed / unpaid dividend declared for the year 2006 to the said fund. Members who have so far not claimed the dividends declared for any subsequent financial year(s) therefore are requested to make claim with the Company immediately as no claim shall lie against the fund or the company in respect of individual amounts once credited to the said fund.

7. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices / documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.
8. In terms of Section 108 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 e-voting facility is being provided to the Members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice.

**ANNEXURE TO NOTICE**

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos. 5 to 12.

**In respect of Item No. 5**

Shri H. H. Engineer, aged 66 Years, holds a Bachelor's Degree in Science and a Diploma in Business Management from the Hazarimal Somani College, Mumbai. He has varied experience of over 44 years in the Banking Sector. He retired as an Executive Director, Wholesale Banking of HDFC Bank Ltd.

Shri H. H. Engineer was appointed as an Additional Director by the Board of Directors on 23 October, 2013 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 (corresponding to Section 161 (1) of the Companies Act, 2013). He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement. He will hold office up to the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri H. H. Engineer being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company along with requisite deposit, signifying his intention to propose Shri H. H. Engineer as a candidate for the office of the Independent Director of the Company.

In the opinion of the Board, Shri H. H. Engineer 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 of the Company. Having regard to his qualifications, knowledge and experience his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri H. H. Engineer 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 recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Shri H. H. Engineer is concerned or interested in the Resolution.

#### **In respect of Item No. 6**

Shri T. M. M. Nambiar, aged 77 Years, holds a Bachelors Degree in Commerce and is a Member of the Institute of Chartered Accountants of India. He is on the Board of the Company since March, 2003. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement. He is having experience of over 51 years and was associated as President / Chairman / Member of the prestigious Institutions like Cement Manufacturers Association, National Council for Cement and Building Materials and Development Council for Cement Industry, the Associated Chambers for Commerce and Industry of India, Bombay Chamber of Commerce etc. He was associated for more than 26 years with Associated Cement Company Ltd including six years as Managing Director.

Shri T. M. M. Nambiar is a Director, whose period of office was 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, Shri T. M. M. Nambiar, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Shri T. M. M. Nambiar as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri T. M. M. Nambiar 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 of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri T. M. M. Nambiar 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 recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/ or their relatives, except Shri T. M. M. Nambiar is concerned or interested in the Resolution.

#### **In respect of Item No. 7**

Shri P. N. Kapadia, aged 62 Years, is a renowned Advocate and Solicitor having experience of more than 36 years in the legal field. He is a partner of Vigil Juris, Advocates & Solicitors, Mumbai. He is on the Board of the Company since January, 2003. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri P. N. Kapadia is a Director, whose period of office was 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, Shri P. N. Kapadia, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Shri P. N. Kapadia as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri P. N. 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 of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri P. N. 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 recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and /or their relatives, except Shri P. N. Kapadia is concerned or interested in the Resolution.

#### **In respect of Item No. 8**

Shri S. S. Lalbhai, aged 53 Years, holds a Bachelor's Degree in Science and a Masters Degree in Chemistry from USA and also a Masters Degree in Economy Planning & Policy from Boston

University, USA. He is on the Board of the Company since March, 2003. He is an Industrialist having varied experience of more than 30 years in Chemicals and general management. He is the Managing Director and CEO of Atul Limited. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri S. S. Lalbhai is a Director, whose period of office was 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, Shri S. S. Lalbhai, being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Shri S. S. Lalbhai as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri S. S. Lalbhai 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 of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri S. S. Lalbhai 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 recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Shri S. S. Lalbhai is concerned or interested in the Resolution.

#### **In respect of Item No. 9**

Shri S. M. Kulkarni, aged 75 Years, is a B. E., Fellow, Institute of Management, UK, Fellow, Indian Institute of Engineers and Fellow, Institute of Directors, UK. He is on the Board of the Company since October, 2006. He is currently a Consultant and acts as a Corporate and Business Advisor to several Indian and international corporate entities and has vast expertise in the areas of international business, alliance management, strategic planning, corporate governance, business development, venture capital funding and education. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri S. M Kulkarni is a Director, whose period of office was 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, Shri S. M Kulkarni, being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying her intention to propose Shri S. M. Kulkarni as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri S. M Kulkarni 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 of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri S. M Kulkarni 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 recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Shri S. M. Kulkarni is concerned or interested in the Resolution.

#### **In respect of Item No. 10**

Shri S. G. Mankad, aged 67 Years, is a retired I.A.S Officer. He has done his M. A. in History from St. Stephens College, Delhi University and Diploma in Development Studies from Cambridge University. He is on the Board of the Company since April, 2011. He was the Chief Secretary of Government of Gujarat from 2005 to 2007 and has also held important positions in Government of India (Ministry of Finance, Ministry of Agriculture and Ministry of Human Resource Development) and Government of Gujarat. He is associated with various State/private sector corporates in his capacity as Chairman/Director. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri S. G. Mankad is a Director, whose period of office was 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, Shri S. G. Mankad, being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Shri S. G. Mankad as a candidate for the office of Independent Director of the Company.



In the opinion of the Board, Shri S. G. Mankad 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 of the Company. Having regard to his qualifications, knowledge and experience his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri S. G. Mankad 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 recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and /or their relatives, except Shri S. G. Mankad is concerned or interested in the Resolution.

#### **In respect of Item No. 11**

The Members of the Company at their Extra Ordinary General Meeting held on 10 January, 2003 had, inter alia, by passing an enabling Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, approved borrowing an amount up to ₹ 150 crores in excess of paid-up capital and free reserves apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

Section 180(1)(c) of the Companies Act, 2013 which came in to effect from 12 September, 2013 prescribes that the Board of Directors shall not, without the consent of the Company by way of a Special Resolution, borrow moneys which together with the money already borrowed will exceed aggregate paid-up capital and free reserves apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

The Ministry of Corporate Affairs has vide its general Circular dated 25 March, 2014 clarified that the earlier Resolutions passed under Section 293 of the Companies Act, 1956 (corresponding to Section 180 of the Companies Act, 2013) shall remain valid for a period of one year from the date of Notification of Section 180 of the Companies Act, 2013 viz. up to 11 September, 2014. The Company may be required to borrow funds in future which may exceed the aggregate of paid-up capital and free reserves. This may attract the provisions of Section 180(1)(c) of the Companies Act, 2013. Accordingly, Special Resolution is proposed for approval of Members.

The Board of Directors recommend passing of the Special Resolution at Item No. 11 of the Notice.

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in the Resolution.

#### **In respect of Item No. 12**

Section 148(2) of the Companies Act, 2013 provides that if the Central Government is of the opinion that it is necessary to do so, it may, by Order, direct that the audit of cost records of class of companies, which are covered under sub-section (1) and which have a net worth of such amount as may be prescribed or a turnover of such amount as may be prescribed, shall be conducted in the manner specified in the Order.

The said Section 148(2) has been notified by the Ministry of Corporate Affairs and has been made effective from 1 April, 2014, however so far, no Rules or Orders have been issued in this regard. The Company was covered under the Cost Audit Regulations under the provisions of the Companies Act, 1956 and Orders issued thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors thought it expedient to appoint Shri I. V. Jagtiani, as the Cost Auditor for Cost Audit of chemical products for the Year 1 April, 2014, to 31 March, 2015 on a remuneration of ₹ 2.50 lacs apart from reimbursement of out of pocket expenses incurred for the purpose of audit subject to approval of remuneration by the Members. Section 148(3) read with Rule 14 of The Companies (Audit and Auditors) Rules 2014 prescribes that the remuneration of the Cost Auditor shall be approved by the Shareholders. Accordingly, this Ordinary Resolution is proposed for approval of the Members.

The Board of Directors recommend passing of the Ordinary Resolution at Item No. 12 of the Notice.

None of the Directors, key managerial personnel and /or their relatives is concerned or interested in the Resolution.

Regd. Office:  
2<sup>nd</sup> floor Sunteck Centre  
37/40 Subhash Road  
Vile Parle (East)  
Mumbai 400057  
Place : Mumbai  
Dated : 28 April, 2014

By Order of the Board,  
N.B. Mankad  
Company Secretary

**Particulars of the Directors seeking appointment / reappointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.**

Name	Shri V. P. Mafatlal	Shri H. H. Engineer	Shri T. M. M. Nambiar
Age	40 years	66 Years	77 Years
Date of Appointment/ Reappointment	21 <sup>st</sup> January, 2003	23 <sup>rd</sup> October, 2013	3 <sup>rd</sup> March, 2003
Expertise in functional areas	Textiles and Chemicals. Industrialist having business experience of more than 17 years in Textiles and Chemicals.	He has varied experience of over 44 years in the Banking Sector. He retired as an Executive Director, Wholesale Banking of HDFC Bank Ltd.	Having vast experience of over 51 Years and was associated as President / Chairman/ Member of the prestigious Institutions like Cement Manufacturers Association, National Council for Cement and Building Materials and Development Council for Cement Industry, The Associated Chamber of Commerce and Industry of India, Bombay Chamber of Commerce etc. He was associated for more than 26 years with Associated Cement Company Ltd. including 6 years as Managing Director.
Brief resume	B. Sc (Economics) University of Pennsylvania, Wharton School, U.S.A	Diploma in Business Management from Hazarimal Somani College, Mumbai.  Bachelor of Science, Mumbai University.	B.Com, A. C.A.
Names of the Companies in which he holds Directorship / Committee Memberships.	<b>Director in:</b> Mafatlal Services Ltd. Tropical Clothing Co. Pvt. Ltd. Cebon Apparel Pvt. Ltd. eyeindia.com Pvt. Ltd. Techergo Solutions Ltd. Mafatlal Fabrics Pvt. Ltd. Sarvamangala Holdings Pvt. Ltd. Myrtle Chemtex Trading Pvt. Ltd. Mayflower Chemtex Trading Pvt. Ltd. Mafatlal Exim Pvt. Ltd. NOCIL Ltd. Mafatlal Impex Pvt. Ltd. Shripad Associates Pvt. Ltd. Arvi Associates Pvt. Ltd. Altamount Products & Services Pvt. Ltd. Mafatlal Global Apparel Ltd. Sukarma Investments Pvt. Ltd. Mafatlal Industries Ltd. Navin Fluorine International Ltd. Manchester Organics Ltd. U.K <b>Committee Membership:</b> <b>Stakeholders Relationship Committee:</b> NOCIL Ltd. - Member <b>Corporate Social Responsibility (CSR) Committee:</b> Navin Fluorine International Ltd. - Member	<b>Director in:</b> The Federal Bank Ltd. Infrastructure Leasing & Financial Services Ltd. Navin Fluorine International Ltd. <b>Committee Membership:</b> <b>Corporate Social Responsibility (CSR) Committee:</b> Navin Fluorine International Ltd. - Member	<b>Director in:</b> ION Exchange (India) Ltd. ION Exchange Projects & Engineering Ltd. Navin Fluorine International Ltd. <b>Committee Membership :</b> <b>Audit Committee:</b> ION Exchange (India) Ltd. - Chairman Navin Fluorine International Ltd. - Chairman <b>Nomination and Remuneration Committee :</b> Navin Fluorine International Ltd. - Member <b>Stakeholders Relationship Committee:</b> Navin Fluorine International Ltd. - Member