



POLYCHEM LIMITED

**66th
ANNUAL
REPORT**



2022 - 2023

POLYCHEM LIMITED

CIN: L24100MH1955PLC009663

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, VII OF 1913)**BOARD OF DIRECTORS:**

MR. TANIL R. KILACHAND	(DIN 00006659) Chairman
MR. PARTHIV T. KILACHAND	(DIN 00005516) Managing Director
MR. ATUL H. MEHTA	(DIN 00005523) Dy. Managing Director
MR. NANDISH T. KILACHAND	(DIN 00005530) Non-Executive Director
MR. VINAYAK V. SAHASRABUDHE	(DIN 00296976) Independent Director
MR. CHETAN R. DESAI	(DIN 03246010) Independent Director
MS. NIRMALA S. MEHENDALE	(DIN 01230600) Independent Director
MR. YOGESH S. MATHUR	(DIN 01059977) Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER: MS. DEEPALI V. CHAUHAN**CHIEF FINANCIAL OFFICER:** MS. KANAN V. PANCHASARA**STATUTORY AUDITOR:** M/s. NAYAN PARIKH & CO. Chartered Accountants

REGISTRAR & TRANSFER AGENTS: M/s. LINK INTIME INDIA PVT. LTD
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (W), Mumbai - 400 083. Tel: 022 4918 6000,
Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

REGISTERED OFFICE: 7, Jamshedji Tata Road, Churchgate Reclamation,
Mumbai - 400 020. Tel: 022 2282 0048,
Email: polychemltd@kilachand.com, Website: www.polychemltd.com

WORK

SPECIALTY CHEMICALS
W-91, MIDC Phase II, Sonarpada,
Dombivali (E), 421 203,
Maharashtra, India.

CORPORATE MANAGEMENT TEAM

MR. T. R. KILACHAND	Chairman
MR. P. T. KILACHAND	Managing Director
MR. A. H. MEHTA	Dy. Managing Director

Contents:

		<u>Consolidated</u>	
Notice	3	Auditors' Report	86
E-voting Instructions	14	Annexure to the Auditors' Report	90
Directors' Report	19	Balance Sheet	92
Annexures to the Directors' Report	24	Profit and Loss Account	93
Management Discussion & Analysis Report	27	Cash Flow Statement	95
Corporate Governance Report	29	Notes to Financial Statements	97
		Form AOC - 1	132
<u>Standalone</u>			
Auditors' Report	40		
Annexure to the Auditors' Report	43		
Balance Sheet	48		
Profit and Loss Account	49		
Cash Flow Statement	51		
Notes to Financial Statements	53		



NOTICE

Notice is hereby given that the Sixty – Sixth Annual General Meeting of the Members of POLYCHEM LIMITED will be held on Tuesday, 29th August, 2023 at 11.00 a.m. via two – way Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) The audited Standalone financial statements of the Company for the financial year ended 31st March, 2023, including the audited Standalone Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and Cash Flow Statement, for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
 - b) The audited consolidated financial statements of the Company for the financial year ended 31st March, 2023, including the audited Consolidated Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the report of Auditors thereon.
2. To Declare a dividend of Rs 20/- per equity share of Rs 10/- each.
3. To appoint a Director in place of Mr. T. R. Kilachand (00006659), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. T. Kilachand (00005530), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Re-appointment of Mr. P. T. Kilachand as Managing Director for a period of three years w.e.f. 1st April, 2023:**

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

"RESOLVED THAT in supersession of the Resolution passed by the members of the Company at the 63rd Annual General Meeting held on 11th September, 2020 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. P. T. Kilachand (DIN 00005516), as Managing Director of the Company, for a period of three years with effect from 1st April, 2023, upon the terms and conditions, including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. P. T. Kilachand, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the remuneration mentioned in Explanatory statement would nevertheless be paid and allowed to Mr. P. T. Kilachand as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Mr. P. T. Kilachand, the Company might have made no profits or its profits might be inadequate."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

**6. Re-appointment of Mr. A. H. Mehta as Dy. Managing Director for a period of three years w.e.f 5th June, 2023:**

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

"RESOLVED THAT in supersession of the Resolution passed by the members of the Company at the 63rd Annual General Meeting held on 11th September, 2020 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. A. H. Mehta (DIN 00005523), as Dy. Managing Director of the Company, for a period of three years with effect from 5th June, 2023, upon the terms and conditions, including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. A. H. Mehta subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the remuneration mentioned in Explanatory Statement would nevertheless be paid and allowed to Mr. A. H. Mehta as the minimum remuneration, within the overall ceiling limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto from time to time, notwithstanding that in any financial year of the Company during the tenure of office of Mr. A. H. Mehta, the Company might have made no profits or its profits might be inadequate."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

7. Payment of Commission not exceeding 1% of net profit to Non-Executive Directors of the Company for three years:

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 section 197, 198 and any other applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof and Regulation 17(6) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and subject to availability of net profits at the end of each financial year, consent of the members be and is hereby accorded for a sum not exceeding 1% of net profits of the Company per annum, be paid to and distributed amongst the Non-Executive Directors of the Company for a period of three years for each financial years 2022-23, 2023-24 and 2024-25 in such proportion or manner as may be decided by the Board of Directors of the Company, in addition to the fees and reimbursement of expenses for attending the meetings of the Board/Committee thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

Registered Office:

7, Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai – 400 020.

CIN: L24100MH1955PLC009663

Tel : 022 - 22820048

Email id : polychemltd@kilachand.com

website : www.polychemltd.com

By Order of the Board of Directors

DEEPA V. CHAUHAN

Company Secretary & Compliance Officer

ACS No.: 38273

Mumbai, May 17, 2023.

**NOTES:**

- (a) Explanatory Statement relating to business under Item nos. 5 to 7 to be transacted at the meeting is annexed hereto.
- (b) In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020 and April 13, 2020, January 13, 2021, May 05, 2022 and December 28, 2022 (collectively referred to as 'MCA Circulars') Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 ('SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means (OAVM), without physical presence of the Members at a common venue. In Compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 66th AGM of the Company is being held through VC/OAVM on Tuesday, 29th August, 2023 at 11.00 a.m. The deemed venue for the 66th AGM shall be the Registered Office of the Company.
- (c) Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2022-23 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories as of 1st cut-off date i.e. Friday, 14th July, 2023. The Notice calling the 66th AGM has been uploaded on the website of the Company at www.polychemltd.com. The Notice can also be accessed from the website of the Bombay Stock Exchange at www.bseindia.com and NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
- (d) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA and SEBI circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and AGM route map are not annexed to this Notice.
- (e) Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
- (f) The Members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned on page 18. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- (g) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM the details of which are available on page No. 14.
- (h) Ms. Ragini Chokshi of Ragini Chokshi & Co., Practicing Company Secretary (CP 1436) has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- (i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) intending to send their authorised representative to attend the AGM through VC or OAVM or to vote through remote e-voting, pursuant to Sections 112 and 113 of the Act, are requested to send a certified copy of the board resolution to the Scrutinizer by e-mail at mail@raginichokshi.com with a copy marked to evoting@nsdl.co.in and polychemltd@kilachand.com, authorising their representative to attend and vote on their behalf at the AGM or they can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on **"Upload Board Resolution/Authority Letter"** displayed under **"e-Voting"** tab in their login.



- (j) Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as of the 2nd cut-off date i.e. 22nd August, 2023 may obtain the login ID and password by sending an email to evoting@nsdl.co.in or polychemltd@kilachand.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forget User Details/Password” option available on www.evoting.nsdl.com
- (k) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (l) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
- (m) Additional information, pursuant to Regulation 36(3)(a) of the LODR Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (‘ICSI’), in respect of the directors seeking appointment/reappointment at the AGM are provided on page 10.
- (n) The Register of Members and Share Transfer Book will remain closed from Wednesday, 23rd August, 2023 to Tuesday, 29th August, 2023 (both days inclusive) in terms of provision of section 91 of Companies Act, 2013.
- (o) Dividend of Rs 20/- per equity share of Rs 10/- each (200%), if declared at the Meeting, will be credited/dispatched subject to deduction of income-tax at source wherever applicable on or after 29th August, 2023 to those members whose names shall appear on the Company’s Register of Members on Record date i.e. Friday, 14th July, 2023.
- (p) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax At Source (“TDS”) from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (‘the IT Act’). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending documents through email at polychemltd@kilachand.com.
- A communication and detailed instructions with respect to tax on dividend for the financial year ended March 31, 2023 were already sent to the members of the Company.
- (q) Members holding shares in electronic form are requested to intimate immediately any change in their 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 bank mandates immediately to the Company or it’s Registrar & Share Transfer Agents - Link Intime India Pvt. Ltd.
- (r) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company or its Registrar & Share Transfer Agents – M/s. Link Intime India Pvt. Ltd.
- (s) Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the “Investor Education Protection Fund” (IEPF) established by the Central Government under Section 125 of the Act.
- (i) Dividend Transferred:
- The amount of unclaimed dividend for the financial year 2014-15 has been transferred to the IEPF on 6th September, 2022, details of which are available on the website of the Company at www.polychemltd.com.
- (ii) Dividend yet to be transferred:
- Unclaimed dividend for the financial year 2015-16 is due for transfer to IEPF in September 2023. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts for all years lying with the Company as on March 31, 2023 on the website of the Company and also on the website of the Ministry of Corporate Affairs. Members may approach the Company Secretary and Compliance Officer of the Company or RTA for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.



- (t) Members are requested to note that as per Section 124(6) of the Act, read with IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF Authority.

(i) Shares Transferred:

The Company has transferred the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years on 23rd September, 2022. The details of shares transferred to IEPF have been uploaded on the website of the Company. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed from IEPF by filling Form IEPF-5. Concerned members are advised to visit the weblink: <https://www.iepf.gov.in/IEPF/refund.html> for lodging claim for refund of shares and/or dividend from the IEPF Authority.

(ii) Shares yet to be transferred:

Further, the details of members whose shares are due for transfer in IEPF Authority in September, 2023 is uploaded on Company's Website, the said details are as on 31st March, 2023. The members are requested to verify their name in the list and accordingly claim their unpaid/unclaimed dividend, within the stipulated timeline in order to avoid transfer of shares to IEPF Authority.

- (u) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
- (v) Pursuant to SEBI Circular dated 3rd November, 2021 and in circular dated 16th March, 2023 for updation of KYC Details, the company has sent letters to all the members on 10th March, 2022 and 18th May, 2023 to update their KYC details with the RTA or Company before 30th September, 2023 failing which the folios will be frozen. KYC Letter along with Form ISR-1, ISR-2, ISR-3 and SH-13 is available on company's website. In view of this, the members are requested to complete their KYC before 30th September, 2023.
- (w) Members holding shares in demat form are requested to provide their e-mail address, mobile number, bank details and details relating to nomination to their Depository Participant(s) ("DP's"), in case the same are not updated.
- (x) The Company's securities are listed on the following Stock Exchange:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security as on 31-03-2023
1.	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	4,04,045 Equity Shares of Rs. 10/-each.

The Company has paid Annual Listing fees for the year 2023-24 to the above Stock Exchange.

Registered Office:

7, Jamshedji Tata Road,
Churchgate Reclamation,
Mumbai – 400 020.

CIN: L24100MH1955PLC009663

Tel : 022 - 22820048

Email id : polychemltd@kilachand.com

website : www.polychemltd.com

By Order of the Board of Directors

DEEPALI V. CHAUHAN

Company Secretary & Compliance Officer

ACS No.: 38273

Mumbai, May 17, 2023.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT.**

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013 sets out the material facts relating to business under Item Nos. 5 to 7, mentioned in the accompanying Notice dated 17th May, 2023.

Item No.5**To re-appoint Mr. P. T. Kilachand as Managing Director for a period of three years w.e.f 1st April, 2023:**

Mr. P. T. Kilachand was appointed as an Additional Director with effect from 3rd December, 1996 and as a Whole-time Director from time to time, he was then appointed as Managing Director with effect from 27th July, 2012 and re-appointed thrice since 1st April, 2014. In accordance with the conditions specified in Schedule V of the Act, the Board at its meeting held on 8th February, 2023 re-appointed Mr. P.T. Kilachand as Managing Director for a period of 3 years from 1st April, 2023, superseding the earlier resolution passed by the Company in this connection. This re-appointment is subject to the approval of the members at the Annual General Meeting.

The main terms of re-appointment of Mr. P.T. Kilachand as Managing Director is placed before the meeting, are as follows:

I. SALARY:

- (A) In any financial year, if the Company has sufficient Net Profit (calculated as per section 198 of the Act):

Salary of any amount upto 5% of the Net Profit of the Company as may be decided by the Board based on performance of the Company, inclusive for each financial year or part thereof computed in the manner as laid down under section 198 of the Companies Act, 2013;

OR

- (B) In case, the Company has no profits or its profits are inadequate:

Salary upto Rs. 10,00,000/- per month or Rs. 1,20,00,000/- per annum (or any higher limit as may be revised from time to time under the Act) as may be decided by the Board inclusive of the following Perquisites as Minimum Remuneration as per Schedule V.

II. PERQUISITES:

Mr. P. T. Kilachand shall be entitled to House Rent Allowance not exceeding 60% of the salary, cost of repairs, maintenance of residential accommodation, society charges, gas, electricity, hospitalisation, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, including driver's salary, telephone, mobile, internet and other communication facilities at Managing Director's residence and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules within the ceiling limits payable to Mr. P. T. Kilachand, subject however to the limit of overall Minimum Remuneration as prescribed under Schedule V. Mr. P. T. Kilachand shall further be eligible to the following perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc., in the event of the Company having no profits or its profits are inadequate:

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent is not taxable under the Income Tax Act;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

Mr. P. T. Kilachand shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

The above remuneration in terms of Salary and perquisites payable to him is subject to the limits of 5% and 10% of the Net Profits of the Company, as the case may be as laid down in Section 197 of the Companies Act, 2013 and the overall limit of 11% on the Net Profits of the Company as laid down in Section 197 of the said Act.

The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued. In the event of having any loss, absence or inadequacy of profits in any financial year, during the terms of office of Mr. P.T. Kilachand the remuneration payable to him by way of salary, allowances and perquisites shall not exceed the limits prescribed under the Companies Act, 2013, read with Schedule V or any amendment, modification, variation or re-enactment thereof."

The remuneration is approved by the Nomination and Remuneration Committee at its meeting held on 8th February, 2023.

The Board of Directors recommends the resolution for approval of the members by way of a Special Resolution.



This may be treated as an abstract of the terms and conditions, governing the appointment and remuneration of the Managing Director, pursuant to Section 109 of the Companies Act, 2013. A Statement as required under section II, Part II of the Schedule V to the Companies Act, 2013 with reference to Resolution No. 5 is annexed hereto and marked as **Annexure A**.

None of the Directors or Key Managerial Personnel of the Company, except Mr. T. R. Kilachand, Mr. N. T. Kilachand and Mr. P. T. Kilachand are in any way, concerned or interested in the said resolution.

Item No. 6**To re-appoint Mr. A. H. Mehta as Dy. Managing Director for a period of three years w.e.f 5th June, 2023:**

Mr. A. H. Mehta was appointed as an Additional Director with effect from 29th May, 2014, he was then appointed as Dy. Managing Director with effect from 1st June, 2014 then re-appointed on 1st June, 2017 and 5th June, 2020. In accordance with the conditions specified in Schedule V of the Act, the Board at its meeting held on 17th May, 2023 re-appointed Mr. A. H. Mehta as Dy. Managing Director for a period of 3 years from 5th June, 2023, superseding the earlier resolution passed by the Company in this connection. This re-appointment is subject to the approval of the members at the Annual General Meeting.

The main terms of re-appointment of Mr. A. H. Mehta as Dy. Managing Director is placed before the meeting, are as follows:

I. SALARY:

(A) In any financial year, if the Company has sufficient Net Profit (calculated as per Section 198 of the Act):

Salary of any amount upto 5% of the Net Profit of the Company as may be decided by the Board based on the performance of the Company, inclusive of incentives for each financial year or part thereof computed in the manner as laid down under Section 198 of the Companies Act, 2013;

OR

(B) In case, the Company has no profits or its profits are inadequate:

Salary upto Rs. 6,00,000/- per month or Rs. 72,00,000/- per annum (or any higher limit as may be revised from time to time under the Act) as may be decided by the Board inclusive of the following Perquisites as Minimum Remuneration as per Schedule V.

II. PERQUISITES:

Mr. A. H. Mehta shall be entitled to House Rent Allowance not exceeding 60% of the salary, cost of repairs, maintenance of residential accommodation, society charges, gas, electricity, hospitalisation, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, including driver's salary, telephone, mobile, internet and other communication facilities at Dy. Managing Director's residence and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules within the ceiling limits payable to Mr. A. H. Mehta, subject however to the limit of overall Minimum Remuneration as prescribed under Schedule V.

Mr. A. H. Mehta shall further be eligible to the following perquisites also which shall not be included in the computation of the ceiling limit on remuneration by way of salary, perquisites, allowances etc., in the event of the Company having no profits or its profits are inadequate:

- i. The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent is not taxable under the Income Tax Act;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. Encashment of leave at the end of the tenure.

The above remuneration in terms of Salary and perquisites payable to him is subject to the limits of 5% and 10% of the Net Profits of the Company, as the case may be as laid down in Section 197 of the Companies Act, 2013 and the overall limit of 11% on the Net Profits of the Company as laid down in Section 197 of the said Act.

The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

In the event of having any loss, absence or inadequacy of profits in any financial year, during the terms of office of Mr. A.H. Mehta the remuneration payable to him by way of salary, allowances and perquisites shall not exceed the limits prescribed under the Companies Act, 2013, read with Schedule V or any amendment, modification, variation or re-enactment thereof."

The remuneration is approved by the Nomination and Remuneration Committee at its meeting held on 17th May, 2023.



The Board of Directors recommends the resolution for approval of the members by way of a Special Resolution.

This may be treated as an abstract of the terms and conditions, governing the appointment and remuneration of the Dy. Managing Director, pursuant to Section 109 of the Companies Act, 2013. A Statement as required under section II, Part II of the Schedule V to the Companies Act, 2013 with reference to Resolution No. 6 is annexed hereto and marked as **Annexure A**.

None of the Directors or Key Managerial Personnel of the Company, except Mr. A. H. Mehta is in any way, concerned or interested in the said resolution.

Item No. 7

To pay commission not exceeding 1% of net profit to Non-Executive Directors of the Company for three years:

The Directors of the Company plays an important role in overseeing the governance, performance and sustainable growth of the Company. They contribute their wealth of knowledge, skills, expertise and experience to the business of the Company and provide required diversity in Board decision – making process.

In view of increased roles and responsibility of the directors under Companies Act, 2013 and SEBI Listing Regulations and in appreciation to the contribution and services, the directors have rendered and continue to render to the Company, it is proposed that the remuneration by way of commission be paid collectively to all Non-Executive Directors of the Company at a sum not exceeding 1% per annum of the Net Profits of the Company, as prescribed u/s 197 of the Companies Act, 2013 and wherein the 'Net Profits' shall be computed in the manner laid down in section 198 of the Companies Act, 2013, for each relevant financial year, for a period of 3 years 2022-23, 2023-24 and 2024-25.

The quantum and manner of commission payable to each Non- Executive Directors shall be fixed and decided by the Board of Directors after considering the net profit for each year and recommendation of Nomination and Remuneration Committee. This Commission shall be in addition to the sitting fees payable to the Non- Executive Directors for attending the meetings of the Board or Committees thereof and reimbursement of expenses for participation in the Board and other meetings.

The Board recommends the resolution set out at Item No. 7 of the Notice for approval by the Members by way of an Ordinary Resolution.

Except Mr. A. H. Mehta and Key Managerial Personnel of the Company and their relatives, all other directors along with their relatives are deemed to be concerned or interested, financially or otherwise, in this resolution to the extent of the remuneration or fees that may be received by them.

As required in terms of regulation 36(3) of SEBI (LODR) Regulations 2015 and Secretarial Standard – 2 issued by ICSI, the details of the Directors who are proposed to be re-appointed furnished below:

Name of Director	Mr. T. R. Kilachand	Mr. N. T. Kilachand	Mr. P. T. Kilachand	Mr. A. H. Mehta
Director Identification Number	00006659	00005530	00005516	00005523
Age	86 years	51 years	56 years	78 years
Date of First appointment on the Board	19.08.1986	27.07.2012	03.12.1996	29.05.2014
Qualification	B.A. from Cambridge University in History and Law. M.B.A. in Business Administration from Harvard Business School.	B.A. from Tufts University, Boston, USA. 'A' levels from Eton College, Windsor, England. ICSE, Cathedral & John Connon School, Mumbai.	Sc.B "Electrical Engineering" & A.B. "Engineering & Economics" from Brown University	B.Com., F.C.A., F.C.S.
Expertise	He was the Managing Director of the Company from 19 th August, 1986 and Chairman & Managing Director from 1 st February, 1995. He was the Executive Chairman from 27 th July, 2012 to 17 th May, 2016. He has over 50 years of experience in industry, management, implementation of projects etc. He has been associated with various Chambers of Commerce and was the President of Indian Merchants' Chamber. He has been associated with various charitable trusts and is Director/Chairman of several Companies.	Director in charge of Sun Tan Trading Co. Ltd., which was the authorized distributor of the world's largest foreign liquor company. Also established a company providing third party logistics solutions including specialized warehousing, to a wide section of importers specializing in the duty free market.	Project Officer in Polychem Limited from 1 st November, 1988, then as Project Executive from 1 st October, 1990 and as Executive Assistant to the Managing Director from 2 nd July, 1993. He has been actively involved and looking after all aspects of various activities of the Company. He was appointed as a Director from December 1996 to 31 st March, 1997. From 1 st April, 1997 he was appointed as a Whole-time Director. His designation has been changed from Whole-time Director to Managing Director with effect from 27 th July, 2012 since then he was re-appointed thrice as Managing Director.	He has been involved with the company since January 1988 and is familiar with all aspects of the Company. He was Vice President – Corporate Affairs & Company Secretary till 29 th May, 2014. He was then appointed as Dy. Managing Director on 1 st June, 2014 and Re-appointed twice. He has experience in audit, accountancy, secretarial, legal & Admn., Taxation etc with the Company and Sandeep Holdings and Tandon Singapore Pte. Ltd.