



**SOLVAY**

asking more from chemistry®

**Sunshield Chemicals Limited**

**28<sup>th</sup> ANNUAL REPORT  
2014-15**

## Performance Summary

Particulars	Percentage of Growth in comparison to Previous Year	2014-15	2013-14	2012-13	2011-12	2010-11
Volume Sales ( M.T )	(10)	8765.00	9703.00	8146.00	8062.00	7972.00
<b>Revenue</b>						
Gross Sales	(10)	12586.46	13914.09	11017.78	10069.23	8492.33
Net Sales	(11)	11900.55	13365.25	10530.08	9429.03	7914.23
Other Income	83	68.52	37.48	20.08	93.30	65.20
<b>Cost</b>						
Material Consumed	(10)	8627.28	9594.32	7559.29	6816.66	5539.02
Employee benefits expense	26	629.50	498.58	468.36	390.43	326.70
Finance costs	(2)	349.17	357.00	509.76	550.47	409.15
Depreciation and amortization expense	42	326.56	230.13	248.17	223.89	193.52
Other expenses	11	2428.04	2183.89	1661.54	1456.35	1246.14
Profit / Loss before Tax	(173)	(391.48)	538.81	103.04	83.35	264.92
Profit / Loss after Tax	(687)	(318.34)	(40.46)	84.23	96.83	159.68
Earning Per Share	(687)	(4.33)	(0.55)	1.15	1.32	2.17

**DIRECTORS**

Ranjal Laxmana Shenoy	Chairman
Sze Wee Ong	(Alt. Guo Lin)
Ian Brown	
Sanjeev Mukerjee	
Yogesh Thar	
Pierre-Franck Valentin	(Alt. Chen Pu)
Manoj Khullar	Managing Director (w.e.f. 1 <sup>st</sup> July 2015)
Satish Kelkar	
Arun Roy	(w.e.f. 1 <sup>st</sup> July 2015)
Shrirang Belgaonkar	Wholetime Director (upto 30 <sup>th</sup> June 2015)

**AUDIT COMMITTEE**

Yogesh Thar	Chairman
Sanjeev Mukerjee	
Ranjal Laxmana Shenoy	w.e.f. 20 <sup>th</sup> March 2015
Manoj Khullar	
Satish Kelkar	

**COMPANY SECRETARY**

Amit Kumashi

**CHIEF FINANCIAL OFFICER**

Rajeev Gupte

**AUDITORS**

M/s. Deloitte Haskins &amp; Sells LLP

**BANKERS**

Kotak Mahindra Bank Ltd. (Formerly ING Vysya Ltd.)  
 BNP Paribas  
 State Bank of India  
 Citi Bank N.A.

**REGISTERED OFFICE**

Phoenix House, "A" Wing, 4<sup>th</sup> Floor  
 462, Senapati Bapat Marg,  
 Lower Parel (West), Mumbai 400 013  
 Tel.No.91-22-66637100

**REGISTRARS & SHARE TRANSFER AGENTS**

TSR Darashaw Limited  
 6-10, Haji Moosa Patrawala Industrial Estate  
 20, Dr. E. Moses Road, Near Famous Studio  
 Mahalaxmi, Mumbai – 400 011  
 Tel : 91-22-66568484

**WORKS**

Pali-Khopoli Road, Village Rasal, Wave  
 Taluka Sudhagad, Dist. Raigad, Maharashtra

**CORPORATE INDENTITY NUMBER**

L99999MH1986PLC041612

**CONTENTS**

<b>Notice</b>	<b>2</b>
<b>Directors' Report</b>	<b>16</b>
<b>Corporate Governance Report</b>	<b>40</b>
<b>Auditors' Report</b>	<b>55</b>
<b>Balance Sheet</b>	<b>60</b>
<b>Profit &amp; Loss Account</b>	<b>61</b>
<b>Cash Flow Statement</b>	<b>62</b>
<b>Notes to Financial Statement</b>	<b>64</b>

### NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of **Sunshield Chemicals Limited** will be held on Tuesday 15<sup>th</sup> September 2015 at 3.00 p.m. at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021. to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2015, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Khullar (DIN-06415392), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satish Kelkar (DIN-01307387), who retires by rotation and, being eligible, offers himself for re-appointment.
4. Ratification of appointment of Statutory Auditors

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

**“RESOLVED THAT** subject to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Audit and Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366W/W-100018), as Statutory Auditors of the Company be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Ninth Annual General Meeting of the Company to be held in the year 2016, at such remuneration plus service tax, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors and the Auditors from time to time.”

#### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), an **Ordinary Resolution**, the following:

**“RESOLVED THAT** Ms. Sze Wee Ong (DIN-07006487), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

6. To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and clause 49 of Listing Agreement, Mr. Ranjal Laxmana Shenoy (DIN - 00074761) who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to 31<sup>st</sup> March 2020.”

7. To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**, the following:

**“RESOLVED THAT** Mr. Arun Roy (DIN - 07200894), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

8. To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**, the following:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Kishore Bhatia & Associates the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2016, be paid the remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand only) plus service tax, out-of-pocket, travelling expenses etc;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198, 203, and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, and such other approvals as may be necessary, approval of the Company be and is hereby accorded to revise the terms and conditions, including remuneration, of Mr. Shrirang Belgaonkar, Wholetime Director of the Company w. e. f. 1<sup>st</sup> January 2015 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, as contained in the agreement dated 11<sup>th</sup> June 2015 executed by the Company with Mr. Shrirang Belgaonkar, with authority to the Board of Directors to alter or amend the terms and conditions of the said agreement for the period 1<sup>st</sup> January 2015 upto 30<sup>th</sup> June 2015 and as set out in the explanatory statement;

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Shrirang Belgaonkar, Wholetime Director of the Company, remuneration by way of salary, perquisites

and allowances, not exceeding the limits laid down in Part II of Section II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things in their absolute discretion as they may consider necessary or expedient to give effect to this resolution and also to revise the remuneration of the Wholetime Director upward within the limits stipulated in the Companies Act, 2013, read with its schedules and rules.”

10. To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, and such other approvals as may be necessary, Mr. Manoj Khullar who is already Managing Director of Rhodia Specialty Chemicals India Limited, be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> July 2015 on remuneration of ₹ 1000/- (Rupees One Thousand Only) per month from the Company;

**RESOLVED FURTHER THAT** pursuant to the Articles of Association of the Company, Mr. Manoj Khullar shall not retire by rotation;

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Manoj Khullar, Managing Director of the Company, remuneration not exceeding the limits laid down in Part II of Section II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and

writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

11. To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:

“**RESOLVED THAT** pursuant to the provisions of Sections 188, 197 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of listing agreement and the Companies (Meeting of Board and its Powers) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals as may be necessary, approval of the Company be and is hereby accorded for appointment of Mr. Satish Kelkar, Director to office/ place of Profit with effect from 1<sup>st</sup> October 2015 for a period of one year on payment of consultancy fee of ₹2,20,000/- (Rupees Two Lacs Twenty Thousand only) per month and a bonus upto 20% of the Consultancy fee;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

**By Order of the Board of Directors**  
For **SUNSHIELD CHEMICALS LIMITED**

**Amit Kumashi**  
Company Secretary

Mumbai, 15<sup>th</sup> July 2015

Phoenix House,  
'A' Wing, 4<sup>th</sup> Floor,  
462, Senapati Bapat Marg,  
Lower Parel (West), Mumbai 400013

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll only instead of himself/ herself and a proxy need not be a member. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The register of members and the share transfer books of the Company will remain closed from 9<sup>th</sup> September 2015 to 15<sup>th</sup> September 2015 (both days inclusive).
3. Shareholders are requested to notify change of address, if any, and details of their bank account to the Registrar/ Depository Participants.
4. For the convenience of shareholders, attendance slip is annexed to the proxy form. Shareholders are requested to affix their signatures at the space provided therefore and hand over the attendance slip at the entrance of the place of meeting. Proxy/Representative of a shareholder should mark on the attendance slip as "Proxy" or "Representative" as the case may be. Shareholders are also requested not to bring with them any person who is not a shareholder.
5. Corporate members intending to send their authorized representatives to attend the Annual General Meeting (AGM) pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM.
6. As a measure of economy, copies of the annual report will not be distributed at the AGM. Shareholders are, therefore, requested to bring their copies of the annual report at the meeting.



7. To facilitate easy and cheap transactions in its shares, the Company has dematerialised its shares. Majority of the shareholders have already availed of this facility and de-materialised their shareholdings. Shareholders who have not yet de-materialised their shareholdings are requested to avail of this facility and de-materialise their shareholdings at the earliest. In case any assistance is needed, shareholders are requested to get in touch with the Secretarial Department of the Company.
8. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar/Depositories.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the Listing Agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
11. Mr. Alwyn D'Souza, Practicing Company Secretary (Membership No. FCS 5559) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. Members can opt for only one mode of voting, i.e., either ballot paper or remote e-voting. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through ballot paper shall be treated invalid.
14. The instruction for e-voting are as under:
  - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
    - i. Open email and open PDF file viz; "Sunshield remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>
    - iii. Click on Shareholder - Login
    - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote
    - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential
    - vi. Home page of remote e-voting opens. Click on e-voting: Active Voting Cycles.
    - vii. Select "EVEN" of Sunshield Chemicals Limited. Now you are ready for e-voting as Cast Vote page opens.
    - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - x. Once the vote on the resolution is cast, the member will not be allowed to change it subsequently.

- xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer.sunshield@gmail.com](mailto:scrutinizer.sunshield@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) or requesting physical copy:
- i. Initial password is provided separately: EVEN (E-Voting Event Number), USER ID and PASSWORD.
  - ii. Please follow all steps from Sl. No. ii to Sl. No. xii above, to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on 12<sup>th</sup> September, 2015 (9:00 am) and ends on 14<sup>th</sup> September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8<sup>th</sup> September, 2015, may cast their vote by electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - ii. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting through ballot.
- iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 8<sup>th</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - iv. The Scrutinizer shall after the conclusion of voting at the AGM, would count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - v. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.solvayindia.in](http://www.solvayindia.in) and on the website of NSDL immediately after the result is declared. The Company shall forward the results to BSE Limited, where the shares of the Company were listed.



## Annexure to Notice

### Explanatory Statement under Section 102 of the Companies Act, 2013

#### Item No. 5

Ms. Sze Wee Ong was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November 2014 pursuant to Section 149 and 161 of the Companies Act, 2013 ("the Act") and rules made thereunder. Ms. Ong holds office of Director upto the date of the forthcoming AGM of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Ong for the office of Director of the Company.

Ms. Ong is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Ms. Ong has M.B.A (International Management), Bachelor Degree in Business Administration (Marketing) from Royal Melbourne Institute of Technology (RMIT), Australia, Diploma in Industrial Management from Ngee Ann Polytechnic, Singapore, Diploma in Chemical Process Technology (Industrial Chemistry) Singapore Polytechnic, Singapore. Ms. Ong has a work experience of over 20 years. She has vast experience in the areas of Purchasing, Sales and Marketing.

Ms. Ong does not hold any directorship in other Indian Companies. Ms. Ong does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Company will be vastly benefited from the professional capabilities and varied experience of Ms. Ong. The Board, therefore, recommends her appointment as a Director of the Company.

Except Ms. Ong, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

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

#### Item No. 6

Mr. Ranjal Laxmana Shenoy was appointed as an Additional Director to hold office as an Independent Director of the Company with effect from 20<sup>th</sup> March 2015.

In accordance with the provisions of Section 149 of the Companies Act ("the Act") read with Schedule IV to the Act, appointment of Independent Directors requires approval of shareholders.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Shenoy for the office of Director of the Company.

Mr. Shenoy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Shenoy is a Bachelor of Commerce, Master of Law, Associate Member of Institute of Chartered Accountants of India, Associate Member of Institute of Company Secretaries of India, Associate Member of Institute of Cost & Works Accountants of India and Diploma holder from Indian Institute of Bankers (C.A. IIB).

Mr. Shenoy has four decades of experience in Companies belonging to different industrial segments. He has rich experience in several areas including Finance, Taxation, Legal, Commercial, Secretarial, Auditing, Procurement, Distribution, Regulatory Affairs etc.

Mr. Shenoy is holding directorship in the following Indian Companies:

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Transwarranty Finance Limited	Director	Audit Committee Stakeholders Relationship Committee Nomination and Remuneration Committee
2.	ELANTAS Beck India Limited	Director	Stakeholders Relationship Committee – Chairman CSR Committee – Chairman Audit Committee Risk Management Committee Committee for issue of Duplicate Share Certificate
3.	Alkem Laboratories Limited	Director	Audit Committee – Chairman CSR Committee

Mr. Shenoy does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company has received a declaration from Mr. Shenoy that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Shenoy fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Shenoy is independent of the management.

Copy of the draft letter for appointment of Mr. Shenoy as an Independent Director is available for inspection at the Registered Office of the Company during business hours on any working days upto the date of AGM.

The Company will be vastly benefited from the professional capabilities and varied experience of Mr. Shenoy. The Board, therefore, recommends his appointment as a Director of the Company.

Except Mr. Ranjal Laxmana Shenoy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

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

### **Item No. 7**

Mr. Arun Roy was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> July 2015 pursuant to Section 161 of the Companies Act, 2013 ("the Act") and rules made thereunder. Mr. Roy holds office of Director upto the date of the forthcoming AGM of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Roy for the office of Director of the Company.

Mr. Roy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Roy has B. Tech. (Chemical Engineering), Diploma in Industrial Safety and PG Diploma in Business Administration. He has more than 33 years of experience in Chemical business. He has vast experience in the areas of Factory Operations. Mr. Roy is Head of Operations Novicare business of Solvay Group.

Mr. Roy does not hold any directorship in other Indian Companies. Mr. Roy does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company will be vastly benefited from the professional capabilities and varied experience of Mr. Roy. The Board, therefore, recommends his appointment as a Director of the Company.

Except Mr. Roy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

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

### **Item No. 8**

The Board of Directors of the Company on the recommendation of Audit Committee at their meeting held on 23<sup>rd</sup> May 2015 has appointed M/s. Kishore Bhatia & Associates, as Cost Auditors for auditing the cost accounts of the Company for the Financial Year 2015-16.

In accordance with the provision of Section 148 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditor) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for ratifying the amount of remuneration payable to the Cost Auditors, as set out at item no. 8 of the notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested in the resolution at item No.8.

The Board, therefore, recommends the Ordinary Resolution set out at Item no. 8 of the Notice for approval of Shareholders.

### **Item No. 9**

Mr. Shrirang Belgaonkar was appointed as Wholetime Director of the Company by the shareholders' resolution dated 10<sup>th</sup> September 2014. Accordingly, an Agreement dated 19<sup>th</sup> September 2014 was entered into between the Company and the Wholetime Director stating the terms and conditions of his appointment (hereinafter referred to as "the said Agreement").

The Board of Directors in its meeting held on 23<sup>rd</sup> May 2015 on the recommendation of the Nomination and