



THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Sec.25/2016/527
8th December, 2016

The General Manager,
Listing Operation, BSE Limited,
P.J. Towers, Dalal Street,
Mumbai 400 001

Dear Sir,

Sub.: Passing of Resolution through Postal Ballot

Ref.: Issue of equity shares to the Promoters on a preferential Basis

In continuation to our letter No.Sec.25/2016/523 dated 29th November, 2016 we are pleased to enclose herewith the Certified True copy of the Special Resolution along with the Explanatory statement passed by the Members of The Dharamsi Morarji Chemical Co. Ltd. On 29th November, 2016.

Thanking you,

Yours faithfully,
For The Dharamsi Morarji Chemical Co. Ltd.,


D.T. Gokhale
Company Secretary

Encl.: As above



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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION ALONG WITH EXPLANATORY STATEMENT, PASSED BY THE MEMBERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED ON 29TH NOVEMBER, 2016, THROUGH POSTAL BALLOT .

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, 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 "Act") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India ("SEBI") including Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI (ICDR) Regulations"), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and all such other approvals, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) to create, issue, offer and allot, in one or more tranches, upto 8,00,000 fully paid Equity Shares of Rs. 10/- each ("Equity Shares") of the Company for cash at a price which shall not be below the minimum price specified under the SEBI (ICDR) Regulations, 2009 to the individuals and/or companies belonging to the Promoter and/or Promoter Group as mentioned in the explanatory statement at such price not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations on preferential allotment basis."

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank *pari passu* with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the issue including reduction of the size of the issue, as it may deem expedient."

"RESOLVED FURTHER THAT the Relevant Date for the purpose of determining the minimum price of the Equity Shares under Regulation 76 of the SEBI (ICDR) Regulations is **Saturday, 29th October, 2016** i.e. 30 days prior to the date of passing this Resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the shares and listing thereof with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of issue proceeds, sign all such documents and undertakings as may be required and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders."

REGD. OFFICE : PROSPECT CHAMBERS, 317/21, DR. D. N. ROAD, FORT, MUMBAI - 400 001, INDIA

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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution."

ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ["Act"] **Item No. 1**

As per Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder ("the Act") and other applicable provisions, if any, of the enactment thereof and Chapter VII of SEBI (Issue of capital and Disclosure requirements) Regulations, 2009 ("SEBI (ICDR) Regulations"), approval of shareholders by way of special resolution is required for allotment of equity shares on preferential basis. The relevant disclosures as required in terms of the Act and SEBI (ICDR) Regulations as amended from time to time are as under:

a) The Object(s) of the issue through preferential offer:

The object of raising the equity share capital by issuing equity shares to the Promoter and Promoter Group is to redeem 6,00,000, 8% redeemable cumulative non-convertible preference shares of Rs.100/- each aggregating to Rs.600 Lacs. Presently out of the above preference shares of Rs.600 Lacs, Natural Gas Company Pvt. Ltd. (a company belonging to the promoter group) is holding preference shares of Rs.100/- each aggregating to Rs.300 Lacs and the balance amount of Preference shares of Rs.300 Lacs, are held by Phoenix Distributors Pvt. Ltd.(a company belonging to the promoter group). The company could not redeem the said preference shares as per the redemption schedule as specified and could not declare dividend on these shares, in view of the losses during the successive years in the past. As on 31.03.2016, the arrears of cumulative dividend (not declared) on these preference shares aggregating to Rs.624 Lacs as on 31.03.2016 become payable only as and when declared by the Company. Both the above Preference Shareholders viz. Natural Gas Company Pvt. Ltd. and Phoenix Distributors Pvt. Ltd. have confirmed in writing to waive receipt for ever, the cumulative dividend on these preference shares aggregating to Rs.624 Lacs, upto 31.03.2016 and pro-rata dividend on the shares thereafter. The proposed issue of equity capital will strengthen the long term capital base of the company and facilitate redemption of the above preference shares.

It is therefore proposed to offer up to 8,00,000 (up to Eight Lacs) fully paid equity shares of Rs.10/- each at a price which shall not be below the minimum price specified under the SEBI (ICDR) Regulations, 2009 to the above two Preference Shareholders viz. Natural Gas Company Pvt. Ltd. And Phoenix Distributors Pvt. Ltd. belonging to the promoter group and or other entities in the Promoter group, on preferential basis.



b) The proposal of the Promoters / Directors / Key Management Persons of the Issuer to subscribe to the offer:

The preferential issue is being made to companies belonging to the Promoters & Promoter Group of the Company viz. Natural Gas Company Pvt. Ltd. and Phoenix Distributors Pvt. Ltd.

c) Shareholding Pattern before and after the Issue:

The shareholding pattern before and after the offer would be as under :

Category	Pre-issue holding		Post-issue holding	
	No. of shares held	%	No. of shares held	%
Promoter Group	10359771	48.73	11159771	50.59
Banks/Financial Institutions	304349	1.43	304349	1.38
Mutual Funds and UTI	312159	1.47	312159	1.42
Bodies Corporate	933112	4.39	933112	4.23
Non Resident Indians (Non Repat)	197941	0.93	197941	0.90
Non Resident Indians (Repat)	260875	1.23	260875	1.18
Foreign Nationals	83	0.00	83	0.00
Trusts	105696	0.50	105696	0.48
Clearing Members	335938	1.58	335938	1.52
Public (individuals/HUF)	8447897	39.74	8447897	38.30
Total	21257821	100.00	22057821	100.00

Above shareholding pattern is prepared based on Shareholding of the Company as on 30th September, 2016 and assuming that the entire 8,00,000 shares are issued to the promoters.

d) The time within which the allotment shall be completed:

The equity shares shall be allotted within a period of 15 days from the date of passing of the Resolution by the Shareholders provided where the allotment is pending on account of any approval from any Regulatory Authority / Body the allotment shall be completed by the Company within a period of 15 days from the date of receipt of such approval.



- e) The Identity of the proposed allottees and the Natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees and the percentage of pre and post Preferential issue capital that are held by them and change in control, if any, of the issuer consequent to the preferential allotment.

Name of proposed allottee	Category (Promoter /Non Promoter)	Identity of the natural person who are the		Pre-issue Shareholding		Allotment	Post issue shareholding	
		Name	%	No.of shares	%	No.of shares	No. of shares	%
The Natural Gas Co. Pvt. Ltd.	Promoter and Promoter Group	1. Shri Laxmikumar Narottam Goculdas	99.58	785657	3.70	400000	1185657	5.38
		2. Phoenix Distributors Pvt. Ltd. ("PDPL")	0.42					
		Ultimate beneficial owners of PDPL						
		1. Shri Laxmikumar Narottam Goculdas and	99.31					
		2. Smt. Bharti Laxmikumar Goculdas	0.69					
Phoenix Distributors Pvt. Ltd.	Promoter and Promoter Group	1. Shri Laxmikumar Narottam Goculdas and	99.31	730295	3.44	400000	1130295	5.12
		2. Smt. Bharti Laxmikumar	0.69					

The proposed preferential allotment will not result in any change in management control of the Company as The Natural Gas Company Pvt. Ltd. & Phoenix Distributors Pvt. Ltd. belongs to the promoter and promoter group.

f) Pricing of the issue:

The pricing of the Equity Shares to be allotted to individuals and/or companies belonging to the Promoter/Promoter Group on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulations, 2009.

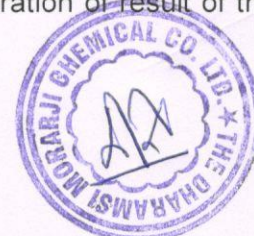
The price shall be determined on the basis of the quotes available on the Stock Exchange having highest trading volume during the preceding twenty six weeks prior to the relevant date.

g) Relevant Date:

The Relevant Date for the purpose of pricing of the Equity Shares shall be **29th October, 2016**, being the date which is 30 days prior to the date of the passing of this Special Resolution.

h) Auditors' Certificate:

Since the price at which the Equity Shares would be issued to individuals and/or companies belonging to Promoter/Promoter Group of the Company cannot be exactly determined before issue of this notice to the shareholders since it depends on the average of the market prices prevailing in the preceding two weeks or twenty six weeks of the relevant date as per the SEBI formula, the Auditors' certificate as required under Regulation 73(2) SEBI, (ICDR) Regulations will be available for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on **any** working day except Saturday and public holidays from the Relevant Date (i.e. **Saturday, 29th October, 2016**) upto the last date for voting under postal ballot (i.e. **Monday, 28th November, 2016**) and shall also be available at the date of declaration of result of the postal ballot.



i) Lock in Period:

The shares to be allotted on preferential basis shall be subject to lock-in as per SEBI (ICDR) Regulations, 2009, as amended. The entire pre-preferential allotment shareholding of the allottees, shall be locked-in from the Relevant Date upto the period of 6 months from the date of Trading Approval as per the Regulations 78(6) of the SEBI (ICDR) Regulations, 2009.

j) Undertakings

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

k) Justification for the allotment to be made for consideration other than cash

The above referred allotment shall be made for cash consideration. Hence, no need to give above said justification.

Section 62(1)(c) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company unless shareholders in general meeting decide otherwise by passing a special resolution. Hence, consent of the shareholders by way of a Special Resolution is being sought.

The proposed allotment on preferential basis, if made, will not result in change in management or control of the Company as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof.

Your Board of Directors recommend the passing of the Special Resolution as set out in the above Notice in the interest of the Company.

The Board at its meeting held on **Thursday, 27th October, 2016** has approved the issue and allotment of Equity Shares on Preferential Basis in the manner stated above subject to approval of shareholders by way of Special Resolution.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors/Key Managerial Personnel of the Company is, in anyway, concerned or interested in the above resolution except Mr. L.N. Goculdas, Ms Mitika Laxmikumar Goculdas both Directors of the Company and Mr. Bimal Lalitsingh Goculdas, being Chief Executive Officer of the Company and their relatives.

Shri Laxmikumar Narottam Goculdas, Director and Shareholder, Ms. Mitika Laxmikumar Goculdas and Shri Bimal Lalitsingh Goculdas , Director of the proposed allottee Companies viz. Natural Gas Company Pvt. Ltd. and Phoenix Distributors Pvt. Ltd are concerned or interested in the Resolution.



None of the Directors and Key Managerial personnel of the Company (except as stated herein above) and their relatives may be deemed to be interested /concerned in this resolution, except to the extent of their respective shareholdings in the Company, if any.

For The Dharamsi Morarji Chemical Co. Ltd.,


(D.T. Gokhale)
Company Secretary