



**THE DHARAMSI MORARJI  
CHEMICAL COMPANY LTD.**

**93rd  
Annual Report  
2013 - 2014**



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### Directors

Shri Laxmikumar Narottam Goculdas Chairman  
Shri Haridas Tricumdas Kapadia  
Shri Madhu Thakorlal Ankleshwaria  
Shri Arvind Wasudeo Ketkar  
Shri Shantilal Tejshi Shah  
Ms Mitika Laxmikumar Goculdas

### Key Management Personnel

Shri Bimal Lalitsingh Goculdas Chief Executive Officer  
Shri Dilip Trimbak Gokhale Executive Vice President  
& Company Secretary  
Shri Dharmarajan Kalyan Sundaram Chief Finance Officer

### Auditors

K.S.Aiyar & Co.  
Chartered Accountants

### Legal Advisers

Bhaishanker Kanga & Girdharlal

### Bankers

Janakalyan Sahakari Bank Ltd.  
The Federal Bank Ltd.

### Registered Office

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai - 400 001.

### Factories

Ambarnath (Maharashtra)  
Roha (Maharashtra)  
Jhar (Gujarat)  
Khemli (Rajasthan)

### Registrars and Transfer Agents

**Link Intime India Pvt. Ltd.,**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.  
Tel. : 9522-25963838 Fax : 25946969  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE TO MEMBERS

Notice is hereby given that the Ninety Third Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Thursday, the 18th day of September, 2014 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 2014.
2. To appoint a Director in place of Shri Laxmikumar Narottam Goculdas (holding DIN 00459347), who retires from office by rotation under Article 135 of the Articles of Association of the Company, and being eligible, offers himself for re-appointment.

3. **Appointment of Statutory Auditors**

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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, Messrs. K.S. Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 96<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017 ( subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out- of- pocket expenses at actuals. The retiring Auditors, Messrs. K.S. Aiyar & Co., Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 139 of the Companies Act, 2013 read with Companies ( Audit and Auditors ) Rules 2014."

4. **Payment of Remuneration to the Cost Auditor**

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ( the Act) and the Rules made thereunder, as amended from time to time, the Company hereby approve the remuneration of Rs.66,000 plus service tax and actual out-of-pocket expenses payable to Shri S. S. Dongare holding ICWA Registration Number, 12521, who is appointed as Cost Auditor to conduct the audit of cost records maintained by Company for the Financial Year 2014-15."

5. **Re-Appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer" and " Manager " of the Company**

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

"RESOLVED THAT subject to the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its approval for the re-appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer" and " Manager " of the Company within the meaning of the Companies Act, 2013, for a period of three years with effect from 1st April, 2014, on the following remuneration :

Salary: Rs.3,00,000/- per month.

**Perquisites:**

In addition to the above, the "Chief Executive Officer" and " Manager " shall be entitled to the following perquisites, monetary value of which shall not exceed the annual salary.

**CATEGORY "A"**

- (i) (a) House rent allowance of Rs. 29,000/- per month.  
(b) Expenditure on electricity, water, gas and furnishings at the residence to be borne by the Company.
- (ii) Medical benefits for self and family : Reimbursement of medical expenses actually incurred and reimbursement of premium paid on Mediclaim Policy, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years.
- (iii) A personal accident insurance policy for his own benefit at the cost of the Company, the premium of which shall not exceed Rs.4,000/- per annum.
- (iv) Leave Travel Concession : Actual fares, rail or air, for self and family once a year to and from any place in India.
- (v) Fees of clubs, subject to a maximum of two clubs, provided that no life membership fee or admission fee is paid.

**CATEGORY "B"**

- (i) Membership of Company's Provident Fund Scheme.
- (ii) Gratuity as per rules of the Company.
- (iii) Benefit of Company's Superannuation Scheme, subject to the condition that the Company's contribution thereto together with the contribution to Provident Fund are not taxable under the Income-tax Act.

Such contributions shall not be included in computation of ceiling on perquisites.

**CATEGORY "C"**

- (i) A car with driver for use for the business of the Company and for his personal use. For personal use of the car, the Company will bill the Chief Executive Officer and Manager.
- (ii) Telephone at residence : All charges including rental and call charges for the telephone at the residence being paid by the Company in full. For personal long distance calls, the Company will bill the Chief Executive Officer and Manager.  
Car with driver for use of Company's business and telephone at residence shall not be considered as a perquisite.

The Chief Executive Officer and Manager shall further be entitled to :



Leave with salary, allowances and other benefits as per leave rules of the Company and the leave accumulated but not availed may be encashed as per Rules of the Company.

The monetary value of the perquisites will be evaluated as per the Income-tax Rules and be subject to such ceiling as may be prescribed by the Central Government.

In the event of loss or inadequacy of profits in any year, the remuneration and perquisites will be paid in accordance with the Schedule V to the Companies Act, 2013 as amended from time to time.

The above re- appointment , salary, perquisites and commission will be subject to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and subject to the consent of the shareholders of the Company.

"RESOLVED FURTHER THAT during the tenure of Shri. Bimal Lalitsingh Goculdas as the "Chief Executive Officer " and " Manager ", he shall be a Key Managerial Personnel (KMP) of the Company in terms of Section 203(1)(i) of the Companies Act, 2013."

"RESOLVED FURTHER THAT Shri D.T.Gokhale, Company Secretary, be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this Resolution."

**6. Appointment of Shri Haridas Tricumdas Kapadia as an Independent Director**

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 Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Haridas Tricumdas Kapadia (DIN:00125090), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation."

**7. Appointment of Shri Madhu Thakorlal Ankleshwaria as an Independent Director**

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 Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Madhu Thakorlal Ankleshwaria (DIN: 02753794), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation."

**8. Appointment of Shri Arvind Wasudeo Ketkar as an Independent Director**

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 Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Arvind Wasudeo Ketkar (DIN: 02863429), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation."

**9. Appointment of Shri Shantilal Tejshi Shah as an Independent Director**

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 Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Shri Shantilal Tejshi Shah (DIN:00004850), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, with effect from 18<sup>th</sup> September, 2014 upto 17<sup>th</sup> September, 2019, not liable to retire by rotation."

**10. Authority to obtain loans/borrowings under Section 180 (1) ( c) of the Companies Act, 2013**

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 Ordinary Resolution passed pursuant to Section No. 293(1)(d) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> December, 1994 and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for borrowing moneys for the purpose of the Company's business, notwithstanding that the moneys borrowed and to be borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however that the aggregate of all such borrowings (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) outstanding at any one time, shall not exceed Rs. 100 crores (Rupees One Hundred Crores) on account of principal."

"RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required in its absolute discretion pursuant to above resolution."

**11. Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company**

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

“RESOLVED THAT in supersession of the Ordinary Resolution No. 18 passed under Section 293 (1) (a) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 7<sup>th</sup> September, 1995 and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/banks/insurance companies/other investing agencies/trustees for holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/insurance companies/other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as “Loans”) provided that the total amount of the loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of Rs. 100 crores (Rupees One Hundred Crores)”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to:

- (i) Finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage (s) and /or charge(s), hypothecation (s) as aforesaid, and to accept any modification (s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents  
and
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the board of Directors in the best interest of the Company.”

**12. Alteration of the Article No. 175 of the Articles of Association of the Company.**

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

“RESOLVED THAT pursuant to Section 14 and other applicable provisions and Sections, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the regulations contained in the existing Article 175 (Deeds how executed) of the Articles of Association of the Company be and is hereby, altered and replaced with the following new Article 175 (Deeds how executed), of the Articles of Association of the Company :

Every deed or other instrument to which the seal of the Company is required to be affixed, shall be affixed only under the authority of the Directors previously given and in the presence of one Director or Company Secretary or such other person as may be authorized in that behalf by the Board of Directors, provided nevertheless, that certificates of shares shall be sealed as provided as per the Articles in that regard hereinbefore contained and in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force”.

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

**NOTES :**

1. An Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, in respect of item no. 4 to 12 mentioned above is annexed hereto:
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of Companies, Societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by on behalf of the nominating organization.  
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.  
Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
4. The Register of Members and the Transfer Books of the Company will remain closed from Thursday, the 11th September, 2014 to Thursday, 18th September, 2014 (both days inclusive).
5. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
6. Members are requested to notify changes of address, if any, to the Company.
7. NRI shareholders are requested to immediately inform (a) change in their residential status on return to India for permanent settlement and (b) particulars of NRE Account, if not furnished earlier.
8. If members have more than one folio with the Company in identical order of names, the fact should be intimated to the Company for consolidation into one folio. If further shares are bought by the members, folio number(s) should be mentioned in the forwarding letters to avoid creation of multiple folios.



9. To support the "Green Initiative", the Members who have not registered their e-mail addresses are requested to register the same with Registrars/ Depositories.
10. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by the Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on " Shareholders" tab
- (iii) Now enter your User ID
  - a. for CDSL: 16 digits beneficiary ID,
  - b. For NSDL:8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (iv) Next enter the image verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had lodged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) For first time users For Members holding shares in physical form and holding shares in Demat form, the steps given below are to be followed :

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department( Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digit of the demat account/Folio number in the PAN field. In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. E.g. <b>If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.</b>
Date of Birth or Date of Incorporation OR Bank Account Number	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format . OR Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach " password creation " menu wherein they are required to mandatorily enter their login password in the new password filed. Kindly note that these password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this notice.
- (x) Click on the EVSN for (The Dharamsi Morarji Chemical Company Limited) on which you choose to vote .
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File" Link if you wish to view the entire Resolution details.
- (xiii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xv) You can also take out a print of the voting done by you by clicking on " Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.
- (xvii) Note for Institutional Shareholders :

Institutional Shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

## NINETY THIRD ANNUAL REPORT 2013-14

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

### In case of Members receiving the physical copy:

- (A) Please follow all steps from sl.no. ( i ) to sl.no. (xvii) above to cast vote.
- (B) The voting period begins on Date and Time and ends on Date and Time. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ( record date ) of ( Record Date), may cast their vote electronically. The e- voting module shall be displayed by CDSL for voting thereafter.
- (C) In case you have any queries of issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### Other Instructions :

- (i) The e-voting period commences on Friday, 12<sup>th</sup> September 2014 (9.00 a.m. IST) and ends on Sunday, 14<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 8<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on **8<sup>th</sup> August, 2014**.
- (iii) Ms. Ratan Kapadia, Practicing Company Secretary (Membership No. FCS No. 1395 C.P.NO. 957), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process ) in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (v) Members who do not have access to e-voting facility may return the duly completed Ballot Form in the prepaid Business Reply Envelope (enclosed with the Annual Report) so as to reach the Scrutinizer at the Registered Office of the Company not later than Sunday, 14<sup>th</sup> September, 2014 (6.00 p.m. IST).
- (vi) Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [investor@dmcc.com](mailto:investor@dmcc.com) by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Sunday, 14<sup>th</sup> September, 2014 (6.00 p.m. IST). Ballot Forms received after this date will be treated as invalid.  
**A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through Ballot shall be treated as invalid.**
- (vii) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's [website www.dmcc.com](http://www.dmcc.com) and on the website of CDSL [evoting.cdsl.com](http://evoting.cdsl.com) within two days of the passing of the resolutions at the Ninety-Third AGM of the Company on 18<sup>th</sup> September 2014 and communicated to BSE Limited, where the shares of the Company are listed.

By Order of the Board

**D. T. Gokhale**  
Company Secretary

### Registered Office:

Prospect Chambers,  
317/21, Dr. Dadabhoy Naorji Road,  
Fort, Mumbai 400 001.  
CIN : L24110MH1919PLC000564  
Website : [www.dmcc.com](http://www.dmcc.com)  
e-mail : [dgokhale@dmcc.com](mailto:dgokhale@dmcc.com)

Date : 28th May, 2014



## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ( the Act), and Article 89(2) of the Articles of Association of the Company, the following Explanatory Statement sets out all material facts relating to the business mentioned under item Nos. 3 to 12 of the accompanying Notice dated 28<sup>th</sup> May, 2014:

### Item No. 3: Appointment of Statutory Auditors of the Company

Although it is not mandatory, the Explanatory Statement is given in respect of this item.

Messrs. K.S. Aiyar & Co., Chartered Accountants, were appointed as the Auditors of the Company to hold office from the conclusion of the previous Annual General Meeting (AGM) until the conclusion of the ensuing AGM. In view of the provisions of Section 139 of the Companies Act, 2013, and the Rules made there under, a listed Company can appoint an audit firm as the Auditors of the Company for two terms of five consecutive years and which shall be subject to ratification by the Members at every AGM. For reckoning this term, the period already served by the Firm as Auditors shall be counted. According to sub-rule 3 of Rule 6 of the Companies ( Audit and Auditors) Rules, 2014, every firm of the Auditors who has completed 7 or more years as an Auditor of the prescribed classes of Companies (including listed Companies), can be appointed as an Auditor for further period upto three years only. Messrs. K.S. Aiyar & Co., Chartered Accountants has already served as Auditors of the Company for more than 7 years. Accordingly Messrs. K.S. Aiyar & Co., Chartered Accountants is entitled to be appointed as Auditors of the Company for a further period upto 3 years. In view of the same it is proposed to appoint Messrs. K.S. Aiyar & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing AGM until the conclusion of the 96<sup>th</sup> AGM of the company and to authorize the Board of Directors to fix their remuneration . The Company has received a letter from Messrs. K.S. Aiyar & Co., Chartered Accountants to the effect that their appointment, if made, would be within the limits prescribed under the provisions of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the said Act .

The Board recommends the Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.3 of the accompanying Notice.

### Item No.4: Payment of Remuneration to the Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by cost accountant in practice. On the recommendation of the Audit Committee of Directors, the board of Directors has approved the appointment of Shri. S.S. Dongare as the Cost Auditor of the Company, to conduct audit of cost records maintained by the Company for the Financial Year 2014-15, at a remuneration of Rs. 66,000/- p.a. plus service tax and actual out-of-pocket expenses.

Shri S.S. Dongare has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. He has vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 1956.

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the accompanying Notice.

### Item No. 5 Re-Appointment of Shri Bimal Lalitsingh Goculdas as the “Chief Executive Officer” and “Manager” of the Company

The Board of Directors of the Company at its Board Meeting held on 28<sup>th</sup> May, 2014 have re-appointed Shri Bimal Lalitsingh Goculdas, subject to the approval of the shareholders at the ensuing Annual General Meeting as “Chief Executive Officer” and ‘Manager’ of the Company within the meaning of the Companies Act, 2013, for a period of three years with effect from 1<sup>st</sup> April, 2014, on the terms and conditions mentioned in the Resolution as Item No. 5.

Shri Bimal Lalitsingh Goculdas is also, the “Managing Director” of Borax Morarji Limited for a period of three years with effect from 01.04.2012, valid upto 31.03.2015. As per the terms of contract between Shri Bimal Lalitsingh Goculdas and Borax Morarji Limited, Shri Bimal Lalitsingh Goculdas shall not receive any remuneration from Borax Morarji Limited for the above period of appointment. He shall receive remuneration from the Company only.

Appointment of Shri Bimal Lalitsingh Goculdas was approved by passing resolution with the consent of all the directors present at the meeting held on 28.05.2014 and the specific notice of the said meeting and resolution to be passed was given to all the directors as per the section 203(3) of the Companies Act, 2013.

As the “Chief Executive Officer” and ‘Manager’ of the Company within the meaning of the Companies Act, 2013, he will be in-charge of and responsible for all the business operations of the Company as also perform such other functions and duties as the Board of Directors shall specify, from time to time and he shall be a Key Managerial Personnel (KMP) of the Company in terms of Section 203(1)(i) of the Companies Act, 2013.

The remuneration and terms and conditions of appointment of Shri Bimal Lalitsingh Goculdas, ‘Chief Executive Officer’ and ‘Manager’ of the Company is as per the provisions of the Companies Act, 2013 and Schedule V thereto as given in the Ordinary Resolution at item no.5 of the accompanying Notice of the Meeting.

The Board recommends the Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

None of the Directors of the Company (except Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas who are relatives of Shri Bimal Lalitsingh Goculdas), Key Managerial Personnel or their relatives are in any way, concerned or interested in the aforesaid appointment and payment of remuneration to Shri Bimal Lalitsingh Goculdas.

### Item No.6 to 9 – Appointment of Independent Directors.

The Company, at various times, had appointed Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Directors, who satisfy the criteria of being Independent directors as per Clause 49 of the Listing Agreement entered into with the Stock Exchange, Bombay and were liable to retire by rotation.

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Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from April, 01, 2014, every listed public Company is required to have at least one third of the total number of directors as independent directors, as defined in that section, who will not be liable to retire by rotation. However if the Company has Executive or Promoter Chairman on Board then at least 50% of the Board should comprise of the independent Director as per the listing agreement. Accordingly the Company needs to have and is having 50% of the strength of the Board as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Under Clause 49 of the Listing Agreement entered into with the Stock Exchange, Bombay.

The matter regarding appointment of Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Independent Directors was placed before the Nomination and Remuneration Committee of the Board of directors of the Company at its Meeting held on 9<sup>th</sup> May, 2014 and the Committee has recommended the appointment of Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Independent Directors.

Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah, Independent Directors, would have retired in an Annual General Meeting of the Company. But, this provision no longer applies as per new Companies Act, 2013. Therefore, it is not a case of appointment of new Independent Directors.

Keeping in view of the experience and expertise of the above referred directors and the contribution made by them to the Company, the Board of Directors consider it desirable that their continued association would be of immense benefit to the Company and hence the Company should continue to avail of their services and accordingly recommend the Resolutions as set out in Item Nos. 6 to 9 for approval of the members.

Further the Board of Directors of the Company are of the opinion that the above referred directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as independent directors and the requisite consent to act as the directors has been received from all the Independent Directors. Apart from the above referred Directors, none of the other Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution.

The brief profile of the directors who are proposed to be appointed as independent directors are as follows :

### **Shri Haridas Tricumdas Kapadia**

Shri Haridas Tricumdas Kapadia, Director of the Company has wide knowledge and experience in industry, trade, commerce, corporate affairs and international trade. Shri Haridas Tricumdas Kapadia is B.Sc. and Diploma in Chemical Engineering. He has got wide business experience in Fertiliser and Chemical industries.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Haridas Tricumdas Kapadia for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

### **Shri Madhu Thakorlal Ankleshwaria**

Shri Madhu Thakorlal Ankleshwaria is B.Com(Hons), F.C.A.-Practising Chartered Accountant for over three decades and was Head of the Department of "Accountancy" at N.M.College of Commerce & Economics, Vile Parle, West, Mumbai 400 056. He has in-depth knowledge in Finance and Accounting and has been in practice as a Chartered Accountant.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Madhu Thakorlal Ankleshwaria for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

### **Shri Arvind Wasudeo Ketkar**

Shri Arvind Wasudeo Ketkar is B.Com(Hons), A.C.A.-Practising Chartered Accountant for over Forty years and has in-depth knowledge in Finance and Accounting.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Arvind Wasudeo Ketkar for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

### **Shri Shantilal Tejshi Shah**

Shri Shantilal Tejshi Shah is a Commerce graduate and has vast experience in marketing, finance and administration in chemical industry.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Shantilal Tejshi Shah for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

The Board recommends the Resolution at Item Nos. 6 to 9 of the accompanying Notice for approval by the Members of the Company.

These Directors are interested or concerned in the Resolutions in the accompanying Notice relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 6 to 9 of the accompanying Notice.

### **Item No.10 and 11:- Authority to obtain loans/borrowings under Section 180 (1) ( c ) and creation of mortgage / charge under Section 180 (1) ( a ) of the Companies Act, 2013.**

The shareholders vide ordinary resolution, had accorded their consent at the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> December, 1994 to the Board of Directors to borrow and at the Annual General Meeting of the Company held on 7<sup>th</sup> September, 1995 to create charges, mortgages and hypothecations as per the Companies Act, 1956.



Pursuant to Section 180 of the Companies Act, 2013, special resolution of members is required for authorizing the Board of Directors to borrow monies exceeding the aggregate of the paid-up share capital and free reserve and creation of mortgage /charge on any of the properties of the Company.

Accordingly Special Resolutions as set out in Item No. 10 & 11 of this Notice are recommended for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 10 & 11 of the accompanying Notice.

**Item No.12. Alteration of Articles of Association**

The Articles of Association of the Company ( A/A) were framed many years ago. In view of the changed circumstances and times, Company is required to execute many documents under the Common Seal of the Company and accordingly the Company is required to affix Common Seal on many documents. For operational convenience, it is now proposed that the Common Seal provision be altered to contain that Common Seal of the Company would now be affixed to any document requiring affixation of common seal in the presence of Company Secretary or such other person as may be authorized by the Board of Directors in that behalf, in addition to existing authority in favour of any one Director only, as per the existing Articles of Association of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association requires approval of shareholders by way of special resolution. Accordingly, this resolution has been placed before the shareholders for approval.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution under Item No.12 of this notice for amending the existing Article 175 of the Articles of Association of the Company to provide for the above addition in the existing Article 175.

A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.12 of the accompanying Notice.

By Order of the Board

**D. T. Gokhale**  
Company Secretary

**Registered Office:**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Date : 28th May, 2014

**Details of the Directors, Manager seeking appointment/re-appointment at the forthcoming Annual General Meeting:**  
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri Laxmikumar Narottam Goculdas	Shri Bimal Lalitsingh Goculdas	Shri Haridas Tricumdas Kapadia	Shri Madhu Thakorlal Ankleshwaria	Shri Arvind Wasudeo Ketkar	Shri Shantilal Tejshi Shah
Date of Birth	17-9-1943	08-11-1968	17.02-1935	23-8-1949	14-5-1940	28-12-1938
Date of Appointment	06-3-1992	01-04-2009	06-10-1978	30-7-2009	22-1-2010	27-07-2010
Qualifications/ Expertise in specific functional areas	Industrialist with rich business experience in general	B.Chem.Engg.M.S.- Chemical Engg., U.S.A. Leading professional with wide experience in Corporate Finance in India and Abroad.	B.Sc., Diploma in Chemical Engineering Wide business experience in Fertiliser and Chemical industries.	B.Com(Hons), F.C.A.- Practising Chartered Accountant for over three decades. Ex- Head of the Department of : Accountancy" at N.M.College of Commerce & Economics, Vile Parle, West, Mumbai 400 056.	B.Com(Hons), A.C.A.- Practising Chartered Accountant for over Forty years.	B. Com, Experience in marketing, Finance and Administration in Chemical Industry
Directorships held in other companies (excluding foreign companies)	Borax Morarji Limited Gocul Gas Pvt. Ltd. Kosan Industries Pvt. Ltd. L.P.Gas Equipments Pvt. Ltd., L.P.Gas Transport & Bottling Co. Pvt. Ltd. Bombay Foods Pvt. Ltd. Phoenix Distributors Pvt. Ltd. Natural Gas Co. Pvt. Ltd. Autogas Conversion (India) Pvt. Ltd. B.S. and Service Pvt. Ltd. Phoenix Distributors Gas Agencies Bhopal Pvt. Ltd. B S and Services Gas Agencies Bhopal Pvt. Ltd. Jasraj Trading Company Pvt. Ltd.	Borax Morarji Limited	L.P.Gas Equipments Pvt. Ltd.,	Nil	Borax Morarji Limited	Aarti Industries Limited, Aarti Corporate Services Limited, Surfactant Specialities Ltd., Nascent Chemical Industries Ltd., Crystal Millennium Realtors Pvt. Ltd., Dhaval Realtors ( India) Pvt. Ltd., Radiant Entertainments Pvt. Ltd., Aarti Ventures Limited, Unidus Developers & Logistics Pvt. Ltd., Innovative Envirocare Jhagadia Limited, Kucchi Realtors & Developers Pvt. Ltd.,
Committee position held in other committees	Member of the Audit Committee and the Chairman of the Shareholders Grievance Committee of Borax Morarji Limited	None	None	None	Member of the Audit Committee, Shareholders/Investors Grievance Committee and Nomination and Remuneration Committee of Borax Morarji Limited	Member of the Stakeholders' Relationship Committee & Finance Committee of Aarti Industries Ltd.
Shareholding	7839377	32803	11448	Nil	324	Nil
Relationship between Directors interse	Yes	Yes	No	No	No	No



## DIRECTORS' REPORT (Including Management Discussion and Analysis Report)

The Directors are pleased to present their Ninety Third Annual Report, together with the accounts of the Company for the financial year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

	Financial Year ended 31 <sup>st</sup> March, 2014 Rs. in lacs	Financial Year ended 31 <sup>st</sup> March, 2013 Rs. in lacs
Sales Turnover (Net of Excise Duty)	<u>10130.60</u>	<u>8559.15</u>
Gross Profit / (Loss)	1340.66	244.27
Less : Depreciation	347.39	509.96
Add : Non recurring items	<u>612.65</u>	<u>3591.07</u>
Profit / (Loss) before Taxation	1605.92	3325.38
Less : Provision for Taxation	-	-
Profit (Loss) after Taxation	1605.92	3325.38
Add: Balance brought forward	<u>(2901.73)</u>	<u>(6227.11)</u>
Balance carried forward	<u>(1295.81)</u>	<u>(2901.73)</u>

The following is the Sales Turnover (Net of Excise Duty) by group of products:

Single Superphosphate	Nil	Nil
Commodity Chemicals	3003.47	2972.70
Specialty Chemicals	6317.34	4478.04
Others	<u>809.79</u>	<u>1108.41</u>
Total	<u>10130.60</u>	<u>8559.15</u>

In view of the accumulated losses, your Directors have not recommended any Dividend on Cumulative Preference Shares and Equity Shares of the Company, for the financial year ended 31<sup>st</sup> March, 2014.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### (a) Overview of operations:

- The Company's fertilizer business viz. Single Superphosphate (SSP) could not be continued on its own inter-alia, due to strained liquidity and shortage of Working Capital. However the Company continued its SSP operations on moderate scale at its plant at Khemli, Udaipur on toll manufacturing/conversion basis, since the existing toll manufacturer is not willing to continue the arrangement of manufacturing SSP on conversion basis, the Company is exploring options of similar arrangement with other toll manufacturers. There is no turnover of SSP fertilizers during the current financial year ended 31<sup>st</sup> March, 2014 and previous financial year ended 31<sup>st</sup> March, 2013. The Company is exploring options to remain in SSP fertiliser business in spite of the huge working capital requirements of the SSP business and the present uncertain Government policies
- The turnover of Commodity Chemicals during the current Financial Year ended 31<sup>st</sup> March, 2014 was marginally higher at Rs 30.03 crores as compared to the turnover of Rs. 29.73 crores during the previous Financial Year The turnover of Specialty Chemicals during the current Financial Year ended 31<sup>st</sup> March, 2014 was Rs. 63.17 crores as compared to Rs.44.78 crores in the previous year. The Export turnover of the Company during the current Financial Year ended 31<sup>st</sup> March, 2014 was Rs. 46.66 crores compared to Rs.31.70 crores for the previous Financial Year. Your Company continues to make efforts to develop new markets and customers.

#### (b) Prospects in the Industry :

##### Fertilisers

The SSP Fertiliser Industry continues under the stresses and strains of the huge working capital requirement arising mainly out of the delays in receipt of the subsidy amounts from the Central Government and other related procedural issues. While the Company is exploring options to remain in SSP fertiliser business, the company is also looking at options of entering into brand licensing arrangement of Company's " SHIP Brand " of SSP Fertiliser, on a moderate scale initially and has already entered into the Brand licensing arrangements with few parties on experimental basis. Based on this experience, it will be the Company's endeavours to enlarge the scope of the Brand Licensing arrangement by expanding the geographical coverage based on Company's wide distribution network and strict monitoring of the quality of SSP manufactured by the Licensees and thus develop this as a profitable business model.

##### Chemicals

The rate of change in the chemical industry is accelerating. Some products which were specialties a few years ago face competition with the entry of new players and become commoditized. Manufacturers therefore need to adapt to this change by constantly innovating, expanding the product range, and building long term alliances with key customers.

Your Company has made significant progress in terms of financial and operational performance this year. The focus on specialty chemicals has started yielding results, not only in the domestic market, but in international markets as well, the component of specialty chemicals business being

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over 65% of the total sales. While the bulk chemicals are an intrinsic part of our operations and are essential for the growth of the specialty chemical segment, the profitability of the bulk/commodity chemical is limited due to continuing competition and logistical restrictions. Therefore in case of bulk/commodity chemicals, our focus is on cost reduction, efficient sourcing, overall supply chain optimization and developing value added/ pure grades of bulk/ commodity chemicals which would have a niche domestic market.

In the specialty chemicals business, your Company has commercialized two products which had been developed earlier by the Company's in house Research and Development team. Trial deliveries were made this year which have met with the customer requirement. Management expects significant benefit from these products during the financial year 2014-15 and thereafter. It has been the policy of the Management to strengthen the Marketing and R&D teams and there by enlarge the customer base and offer new products regularly and on ongoing basis.

The Company expects to increase the capacity utilization of its Chemical Plants at Roha, by carrying out some internal financial and business restructuring and improving the availability of working capital finances. Your Company is setting up flexible manufacturing facilities termed "Multipurpose Plants" which can be utilized for several different products, the transition between products being rapid, the new products can be commercialized at short notice. The management expects certain additional benefits from the multipurpose manufacturing plants. These innovative initiatives of the Management are expected to reflect in developing of the new Specialty Chemicals and new varieties of existing Specialty Chemicals with better margins in coming years.

### CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

### CORPORATE FINANCIAL RESTRUCTURING

In furtherance to the requisite approval of the shareholders of the Company obtained on 17<sup>th</sup> August, 2010, under Section 293(1) (a) of the Companies Act, 1956, for the sale/transfer/disposal of its land, factory buildings and plant and machinery at its Ambernath Factory, major steps have been taken to complete the Corporate Financial Restructuring. The Management is continuing its endeavors to complete the said Corporate Financial Restructuring as contemplated, at the earliest.

### ADEQUACY OF INTERNAL CONTROLS

Your Company has clearly laid down policies, guidelines and procedures which form part of its internal control system. The Audit Committee of the Board periodically reviews reports of Internal Auditors, inter alia, on adherence by the operating Management of such policies and procedures and suggests changes/ modifications and improvements on a continuous basis. The Company has strong, independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and the transactions are authorized, recorded and reported correctly. The internal control systems are supplemented by a programme of internal audit.

### HUMAN RESOURCE DEVELOPMENT

As a part of ongoing exercise of the restructuring and re-organisation of the Company's business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements.

### DIRECTORS/KEY MANAGEMENT PERSONNEL

Shri Laxmikumar Narottam Goculdas ( holding DIN 00459347), Director, is retiring by rotation in accordance with the requirements of the Act and the under Article 135 of the Articles of Association of the Company, and being eligible, offer himself for re-appointment. The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange, appointed Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria, Shri Arvind Wasudeo Ketkar and Shri Shantilal Tejshi Shah as Independent Directors of the Company. The Company has since received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Under Clause 49. In accordance with the provisions of Section 149 (4) and proviso to Section 152 (5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company. The Company continues its operations under the leadership of the Senior Corporate Management Team comprising of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer, Shri. D.T.Gokhale, Executive Vice President and Company Secretary and Shri D. K. Sundaram, Chief Finance Officer.

### AUDITORS

Messrs. K.S. Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W, who are the Statutory Auditors of your Company, hold office until the conclusion of the forthcoming Annual General Meeting (AGM). It is proposed to re- appoint Messrs. K.S. Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W as Statutory Auditors of the Company from the conclusion of the forth coming AGM till the conclusion of the 96<sup>th</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. Messrs. K.S. Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W has, under Section 141 of the Act, furnished a certificate of its eligibility for re-appointment. The Members year on year will be requested, to ratify their appointment as Statutory Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to item No.4 of the Notice.

### AUDITORS' OBSERVATIONS

In respect of the Auditors' observation (in quotes):

*"The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 lacs till 31st March, 2009 considering unabsorbed loss up to 31st March, 2008 and unabsorbed depreciation up to 31st March, 2009. For the subsequent financial periods, further net deferred tax asset has not been recognized in view of management's perceptions and reason detailed in Note No.V(c). We are not in a position to opine on the net deferred tax asset recognized till date as regards its ultimate realization since the virtual certainty of the available sufficient future taxable income, as required by Accounting Standard 22 i.e. 'Accounting for taxes on income' notified pursuant to Companies (Accounting Standards) Rules, 2006, could not be substantiated.*



Had the Company not recognized the said net deferred tax asset aggregating to Rs.2654.15 Lacs, the Accumulated losses as at the end of the year would have been higher by Rs.2654.15 Lacs”.

The managements perception and reasons are detailed in Note no. V-(c), and the same is reproduced here below:

#### Deferred Tax Assets (Net)

The Company's export business over the last three years has been growing at an impressive rate of 50%. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the company. The focused R & D activity to identify and develop relevant products meeting high quality standards has always remained vital to the company's business, and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Speciality and Bulk chemicals. In the near term, the company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened. Consequently, there is virtual certainty of realization of "Deferred Tax asset" mainly resulting from unabsorbed depreciation and carried forward losses. Accordingly, the recognized "Deferred Tax Asset" of Rs. 2654.15 Lacs as at 31.03.2009, without any addition, is being carried forward.

The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2014 and 31.03.2013, recognised by the Company in the books of account, is as follows :

Particulars	As at 31-03-2014 Rs. In Lacs	As at 31-03-2013 Rs. In Lacs
Deferred Tax Liabilities :		
Difference between book and tax depreciation	1611.05	1611.05
Others	221.90	221.90
Total	1832.95	1832.95
Deferred Tax Assets :		
Unabsorbed depreciation / Business loss	3610.68	3610.68
Others	876.42	876.42
Total	4487.10	4487.10
Net Deferred Tax Liabilities / (Deferred Tax Assets) :	(2654.15)	(2654.15)

#### COST AUDITOR AND COST AUDIT REPORT

Shri S. S. Dongare, Cost Accountant, was appointed as Cost Auditors of your company for Financial Year 2013-14. In accordance with the requirement of the central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records maintained by the Company every year. The cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31<sup>st</sup> March, 2013, by Shri S. S. Dongare, Cost Accountant , which was due for filing with the Ministry of Corporate Affairs by 30<sup>th</sup> September, 2013, was duly files on 23<sup>rd</sup> September, 2013.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Particulars required by the Companies ( Disclosure of Particulars in the report of Board of Directors) Rules,1988 are given in the prescribed format as Annexure-I to the Directors' Report.

#### PARTICULARS OF EMPLOYEES

During the Financial Year ended 31<sup>st</sup> March, 2014 there was no employee within the purview of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

#### PUBLIC DEPOSITS

During the year 2013-14, Your Company has not accepted/renewed any fixed deposit. Out of the unclaimed deposits of Rs. 511000/- as on 31<sup>st</sup> March, 2013, the Company has transferred/paid Rs. 3,20,000/- (Rupees Three lacs Twenty Thousand Only) to Investor Education and Protection Fund as required. In addition, Rs.15000/- have been paid to the depositors, who claimed the same during the financial year 01.04.2013 to 31.03.2014. Therefore only 15 deposits aggregating to Rs. 176000/- have remained unclaimed as on 31 March, 2014.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures,
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,

## NINETY THIRD ANNUAL REPORT 2013-14

- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

### **CORPORATE GOVERNANCE**

Your Company has been practicing the principles of good Corporate Governance over the years and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has adopted a Code of Conduct which is approved by the Board of Directors as required under the Listing Agreement with the Stock Exchange, Mumbai. The Directors and the Management Staff have confirmed their adherence to the provisions of the said code. Your Company has also evolved a Risk Management Policy regarding risk assessment and risk mitigation mechanism, which has been approved by the Board of Directors. A separate report on Corporate Governance is annexed as a part of the Annual Report, along with the Auditors' Certificate on its compliance.

### **ACKNOWLEDGMENTS**

The Directors are thankful to your Company's shareholders, customers, suppliers, contractors, various departments of Central and State Governments and Banks for their continued valuable support. The relations between the employees and the management continue to be cordial. Your Directors place on record their appreciation of the sincere and devoted efforts of the employees at all levels and their continued co-operation, commitment, sense of understanding and the sacrifices made by them during the difficult and critical period which the company is passing through. Management of your Company is confident that with the active co-operation from all the stake holder of the Company, the Company will be in a position to overcome this difficult phase.

For and on behalf of the Board

**LAXMIKUMAR NAROTTAM GOCULDAS**  
Chairman

### **Registered Office**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort , Mumbai 400 001.

Date : 28th May, 2014



## ANNEXURE I TO THE DIRECTORS' REPORT

### DISCLOSURES

#### A. CONSERVATION OF ENERGY

#### FORM A

##### POWER AND FUEL CONSUMPTION

		April, 2013 to March, 2014	April, 2012 to March, 2013
1	<b>Electricity Purchased</b>		
	Unit (Lac KWH)	65.86	64.01
	Total Amount (Rs. Lacs)	489.67	498.43
	Rate/Unit (Rs./KWH)	7.43	7.79
2	<b>Furnace Oil</b>		
	Quantity (K.Litre)	150.313	176.23
	Total Amount (Rs. Lacs)	69.77	74.29
	Average Rate (Rs/KL)	46420	42155
	<b>CONSUMPTION PER TONNE OF MAJOR PRODUCTS</b>		
	<b>Electricity (Unit-KWH)</b>		
1	Single Superphosphate	23	26
2	Sulphuric Acid 100%	53	55

#### FORM B

#### B. TECHNOLOGY ABSORPTION

##### RESEARCH AND DEVELOPMENT (R&D)

##### 1. Specific areas in which R&D is carried out by the Company :

The Company has an R&D Centre which is approved by the Department of Scientific Industrial Research, Govt. of India, New Delhi.

Areas in which R&D activity was carried out includes :

- Process and cost optimization of existing Speciality Chemicals so as to be competitive in the domestic and international market.
- Development of the processes for making value added products to cater to the need of local and export market.
- Technical support to Marketing efforts for launching new products and for troubleshooting of existing products.

##### 2. Benefits derived as a result of the above R&D :

- Quality and yield improvement of the existing products.
- Manufacture and supply of some of the products as per the customers' specifications.

##### 3. Future plan of action :

- Studies on the preparation of new Speciality Chemicals and formulations with special emphasis on value addition.
- Focus on ethylation & sulphonation Chemistry to develop new products.

##### 4. Expenditure on R&D

Rs. in lacs

	April, 2013 to March, 2014	April, 2012 to March, 2013
(i) Capital	0.00	0.00
(ii) Recurring	9.98	10.72
<b>(iii) Total</b>	<b>9.98</b>	<b>10.72</b>
(iv) Total R&D expenditure as a percentage of Gross Turnover	0.09%	0.11%

## NINETY THIRD ANNUAL REPORT 2013-14

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

**1. Efforts, in brief, made towards technology absorption, adaptation and innovation :**

Technology upgradation and innovation are matters of a continuous process in the Company.

**2. Benefits :**

Increased capacity, cost reduction, improvement in quality and flexibility to meet market demands.

**3. Technology imported during the last five years.**

No technology was imported during the last five years.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars of foreign exchange earned/utilized are as under :

**Rs. in lacs**

	<b>April, 2013 to March, 2014</b>	April, 2012 to March, 2013
<b>EARNING IN FOREIGN EXCHANGE:</b>		
Export of goods calculated on FOB basis	4390.10	2972.51
<b>Total Foreign Exchange earned</b>	<b>4390.10</b>	<b>2972.51</b>
<b>OUTGO IN FOREIGN EXCHANGE :</b>		
(1) VALUE OF IMPORTS CALCULATED ON CIF BASIS :		
Raw Materials and bought outs	_____	_____
(2) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF FOREIGN TOURS, SUBSCRIPTION, ETC.	124.08	32.75
<b>Total Foreign Exchange outgo</b>	<b>124.08</b>	<b>32.75</b>

For and on behalf of the Board

**LAXMIKUMAR NAROTTAM GOCULDAS**  
Chairman

**Registered Office :**

Prospcet Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001

Date : 28th May, 2014.



## REPORT ON CORPORATE GOVERNANCE 2013-2014

### 1. Company's philosophy on Code of Governance

Your Company strongly believes that its system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The Core Values viz. Customer Focus, Team Work, Leadership, Innovation, Respect for People, Integrity and Performance guide the Company towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations. Accordingly, your Company has been practicing the broad principles of Corporate Governance over the years by placing strong emphasis on transparency, empowerment, accountability and integrity so as to continuously enhance values for stakeholders - the shareholders, the customers, the employees and the creditors.

### 2. Board of Directors

#### Composition & Size of the Board

Your Board comprises of an optimal complement of independent professionals having in-depth knowledge of the business and the industry. The size and composition of the Board conforms with the requirements of the Corporate Governance code under the Listing Agreement with the Stock Exchange, Mumbai. The Board is headed by the Non Executive Chairman, Shri Laxmikumar Narottam Goculdas. As on 31 March, 2014 the Board comprised of 6 Directors, all of whom were Non-Executive Directors. The Non-Executive Directors are eminent industrialists and professionals with experience in over-all management and finance, who bring a wide range of skills and experience to the Board. Out of these 6 Non - Executive Directors, 4 were Independent Directors, thereby complying with the requirement of having at least two third Independent Directors. None of the Directors has materially significant pecuniary or business relationship with the Company.

The information as required under Annexure 1A to Clause 49 is being made available to the Board. None of the Directors was a member of more than 10 Board- level committees nor a Chairman of more than 5 such committees, across all Companies in which he was a Director.

#### Number of Board Meetings held during the year along with the dates of the Meetings.

Five Board Meetings were held during the financial year ended 31st March, 2014. The dates on which the said meetings were held are as follows: 30<sup>th</sup> May, 2013, 07<sup>th</sup> August, 2013, 25<sup>th</sup> September, 2013, 01<sup>st</sup> November, 2013 and 30<sup>th</sup> January, 2014.

Attendance of each Director at the Board Meetings held during the financial year ended 31st March, 2014 & last Annual General Meeting and No. of other Directorships / Memberships of the Committee :

Sr. No.	Name of Directors	Category of Directorship (designation as on 31.03.2014)	No. of Board Meetings attended (out of 5 Meetings held)	Attendance at last AGM	No. of other directorships as on 31.03.2014@	No. of Board Committees of other companies in which Chairman, as on 31.03.2014	No. of Board Committees of other companies in which Member, as on 31.03.2014
1	Shri Laxmikumar Narottam Goculdas	Chairman	5	Yes	1	1	2
2	Shri H.T.Kapadia	Non-Executive, Independent	4	Yes	Nil	Nil	Nil
3	Shri M.T.Ankleshwaria	Non-Executive, Independent	5	Yes	Nil	Nil	Nil
4	Shri A.W.Ketkar	Non-Executive, Independent	5	Yes	1	Nil	3
5	Shri S.T.Shah	Non-Executive, Independent	2	No	5	Nil	2
6	Ms Mitika Laxmikumar Goculdas	Non-Executive, Promoter Group	5	Yes	1	Nil	Nil

@ Excludes foreign Companies, Private Companies and Alternate Directorships.

Details of Directors being appointed and re-appointed at the ensuing Annual General Meeting to be held on 18th September, 2014.

As per the Companies Act, 1956, not less than two-third of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment.

Accordingly, Shri Laxmikumar Narottam Goculdas retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

A brief resume of the Directors being appointed/eligible for re-appointment is as follows :

#### Shri Haridas Tricumdas Kapadia

Shri Haridas Tricumdas Kapadia, Director of the Company has wide knowledge and experience in industry, trade, commerce, corporate affairs and international trade. Shri Haridas Tricumdas Kapadia is B.Sc. and Diploma in Chemical Engineering. He has got wide business experience in Fertiliser and Chemical industries.

#### Shri Madhu Thakorlal Ankleshwaria

Shri Madhu Thakorlal Ankleshwaria is B.Com(Hons),F.C.A.-Practising Chartered Accountant for over three decades and was Head of the Department of "Accountancy" at N.M.College of Commerce & Economics, Vile Parle, West, Mumbai 400 056. He has in-depth knowledge in Finance and Accounting and has been in practice as a Chartered Accountant.

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### Shri Arvind Wasudeo Ketkar

Shri Arvind Wasudeo Ketkar is B.Com(Hons),A.C.A.-Practising Chartered Accountant for over Forty years and has in-depth knowledge in Finance and Accounting.

### Shri Shantilal Tejshi Shah

Shri Shantilal Tejshi Shah is a Commerce graduate and has vast experience in marketing, finance and administration in chemical industry.

### 3. Audit Committee Composition, Terms and Reference

The Audit Committee comprises of three Non-Executive Directors of which two are Independent Directors viz. Shri H.T. Kapadia as the Chairman (Independent Director) and Shri M.T. Ankleshwaria (Independent Director) as member. Shri Laxmikumar Narottam Goculdas, Chairman, Non-Executive Promoter Director is also a member of the Audit Committee. Shri D. T. Gokhale, Company Secretary, acts as the Secretary to the Committee.

The role, terms of reference, authority and power of Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(1) of the Listing Agreement with the Stock Exchange.

Meetings and the attendance during the financial year ended 31st March, 2014.

Four meetings of the Audit Committee were held during the financial year ended 31 March, 2014 as given below. The attendance of each Committee member at the Audit Committee Meetings are given below:

Dates on which Audit Committee Meetings were held	Shri H. T. Kapadia	Shri Laxmikumar Narottam Goculdas	Shri M.T. Ankleshwaria
30.05.2013	Yes	Yes	Yes
07.08.2013	No	Yes	Yes
01.11.2013	Yes	Yes	Yes
30.01.2014	Yes	Yes	Yes

All the meetings were attended by the Chief Finance Officer, Company Secretary, Internal Auditor and Statutory Auditors.

All the members of the Audit Committee are financially literate and also possess the requisite accounting & related financial management expertise.

### 4. Remuneration to Directors

Details of remuneration paid to non executive directors during the financial year ended 31 March, 2014 are as below :

(Amount in Rs.)

Sr. No.	Name of Directors	Relationship with other Directors	Sitting Fees for Board & Committee Meetings	Total Remuneration	No. of equity shares held as on 31.03.2014
1	Shri Laxmikumar Narottam Goculdas	Yes@	45000	45000	7839377
2	Shri H. T. Kapadia	None	35000	35000	11448
3	Shri M. T. Ankleshwaria	None	45000	45000	Nil
4	Shri A. W. Ketkar	None	25000	25000	324
5	Shri S. T. Shah	None	10000	10000	Nil
6	Ms Mitika Laxmikumar Goculdas	Yes@@	25000	25000	Nil
		Total	185000	185000	7851149

@ Father of Ms Mitika Laxmikumar Goculdas

@@ Daughter of Shri Laxmikumar Narottam Goculdas

Details of remuneration paid/payable to Chief Executive Officer and "Manager" during the financial year ended 31st March, 2014 are as below: (excludes Contributions to Gratuity Fund & Leave Encashment on retirement, since same is provided on actuarial basis for the Company as a whole)

(Amount in Rs.)

Name & Designation	Salary	Contribution to PF & Superannuation Fund	Perquisites	Total
Shri Bimal Lalitsingh Goculdas, Chief Executive Officer	1200000	156000	600264	1956264

Details of Terms of Contract of Chief Executive Officer and "Manager"

The term of contract of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer, is from 01-04-2012 to 31-03-2015. No severance fees or stock option are available to him.

### Remuneration Policy

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Chief Executive Officer is paid remuneration as per the Agreements entered into between him and the Company. The remuneration structure of the Chief Executive Officer comprises of Salary, H.R.A., Commission, Perquisites, Contributions to Provident Fund & Superannuation and Gratuity.



## 5. Shareholder/Investor Grievance Committee

### Details of the Directors and Compliance Officer

The Shareholder/Investor Grievance Committee comprises of Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) as Chairman of the Committee with Shri. H. T. Kapadia, Director as other member. The Committee is vested with the requisite powers and authorities. In addition to the Share Transfer related matters, the committee specifically looks into the redressing of shareholders' and investors' complaints, if any, like delayed transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. Shri D.T.Gokhale, Company Secretary has been appointed as the Compliance Officer.

### Number of complaints received and pending and transfers pending as on close of the financial year.

During the financial year 2013-2014, 10 complaints were received from the shareholders and these 10 complaints were duly processed. No complaints pending as on 31st March, 2014. No transfers were pending at the close of the financial year. No complaint was received from SEBI during the year.

## 6. General Meetings and Postal Ballots

The details of last three Annual General Meetings of the Company and the Special Resolutions passed there at are as follows :

- a) 92nd Annual General Meeting was held on 25.09.2013 at 11.30 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.
- b) 91st Annual General Meeting was held on 25.09.2012 at 11.30 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.
- c) 90th Annual General Meeting was held on 06.09.2011 at 11.45 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.

During the year 2013-2014, no Resolution was put through Postal Ballot.

During the year 2012-2013, no Resolution was put through Postal Ballot.

During the year 2011-2012, no Resolution was put through Postal Ballot.

## 7. Disclosures

- a) Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors & the members of the Senior Management. The said Code has been communicated to the Directors and the Members of the senior Management. The Code has also been posted on the Company's website [www.dmcc.com](http://www.dmcc.com).

- b) At every Board Meeting, the Register of Contracts maintained Under Section 301 of the Companies Act, 1956 is tabled and signed by the Directors.
- c) Transactions with the related parties are disclosed in Note No. 21 of the Notes to the Accounts in the Annual Report. None of the related parties transactions are in conflict with the interests of the Company at large.
- d) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, no penalties were imposed nor any strictures were passed on the Company by the Stock Exchange, Mumbai (on which the Company's equity shares are listed), SEBI or any other statutory authority.
- e) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- f) Related Party Transactions - There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per Accounting Standard Number AS 18 are disclosed in note number X (10) of the notes forming part of Accounts.
- g) The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

## 8. CEO/CFO Certification

The Chief Executive Officer and The Chief Finance Officer of the Company have furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements for the financial year ended 31st March, 2014 and adequacy of internal controls as required under Clause 49 of the Listing Agreement.

## 9. Means of Communications

- a) Quarterly Financial Results of the Company are forwarded to the Stock Exchange, Mumbai and published in "Free Press Journal" and "Navshakti" newspapers.
- b) Company has its own web site and all the vital information relating to the Company, its products and its financial results are displayed at the web site. Address of the web site is [www.dmcc.com](http://www.dmcc.com).
- c) Management Discussion & Analysis Report forms part of Directors' Report. No presentations were made to the institutional investors or analysts during the year.

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### 10. General Shareholder Information

93<sup>rd</sup> Annual General Meeting

Date : Thursday, 18th September, 2014

Time : 11:00 a.m.

Venue : Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020.

Financial Calendar for the year 2014-2015 (Provisional) :

- |   |                        |
|---|------------------------|
| a. Results for the first quarter ending 30th June, 2014       | By 14th August, 2014   |
| b. Results for the second quarter ending 30th September, 2014 | By 14th November, 2014 |
| c. Results for the third quarter ending 31st December, 2014   | By 14th February, 2015 |
| d. Results for the year ending 31st March, 2015 (Audited)     | By end of May, 2015    |
| e. Annual General Meeting for the year ending March, 2015     | In September, 2015     |

Date of Book Closure : 11th September, 2014 to 18th September, 2014 (both days inclusive).

Stock Exchange : The Equity Shares of Company are listed on the Stock Exchange, Mumbai, and the listing fee for the period 2014- 2015 has been paid to the Stock Exchange.

Stock Code : 506405, The Stock Exchange, Mumbai (BSE):

Demat ISIN : INE505A01010

Equity Dividend Payment Date : Not Applicable

#### Stock Price Data & Performance in comparison to BSE Indices

The monthly high and low of market prices of the Company's Equity Shares traded during the financial year on the Stock Exchange, Mumbai and the BSE monthly high and low Indices were as follows :

Month	Shares Price		BSE Indices	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2013	8.85	6.76	19622.68	18144.22
May, 2013	9.73	7.35	20443.62	19451.26
June, 2013	9.70	7.25	19860.19	18467.16
July, 2013	8.72	7.40	20351.06	19126.82
August, 2013	10.00	6.20	19569.20	17448.71
September, 2013	9.35	7.26	20739.69	18166.17
October, 2013	8.50	7.27	21205.44	19264.72
November, 2013	9.181	7.91	21321.53	20137.67
December, 2013	9.00	7.61	21483.74	20568.70
January, 2014	10.00	8.00	21409.66	20343.78
February, 2014	9.20	8.00	21140.51	19963.12
March, 2014	9.68	7.29	22467.21	20920.98

Nominal Value of each Equity Share is Rs. 10/-.

#### Registrar & Transfer Agents

Link Intime India Pvt Ltd.

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup - (W), Mumbai- 400 078.

Tel : 022 - 2596 3838, Fax : 2594 6969

Email: [mnt.helpdesk@linkintime.co.in](mailto:mnt.helpdesk@linkintime.co.in)

#### Share Transfer System

Share Transfers are registered and duly transferred share certificates are dispatched within 30 days of receipt, if the transfer documents are otherwise in order. The total number of shares transferred in the Non-dematerialised segment during the financial year ended 31 March, 2014 were 9310.

In terms of the Notification No.SMDRP/POLICY/CIR/23/2000 dated 29th May, 2000, issued by Securities and Exchange Board of India, the Equity Shares of your Company are under compulsory demat trading by all investors, with effect from 28th August, 2000.

#### Shareholding Pattern and Distribution of Shares :

Shareholding Pattern as on 31st March, 2014 :

Category	No. of Shares held	% of Shareholding
Promoters	10311934	48.51
Mutual Funds and UTI	4304	0.02
Banks, Financial Institutions, Insurance Cos.	852025	4.00



Private Corporate Bodies and Trusts	1507551	7.09
Indian Public	8062106	37.93
NRI/OCBs	429122	2.02
Clearing Members (in the depository)	90779	0.43
<b>TOTAL</b>	<b>21257821</b>	<b>100.00</b>

Note: The total Foreign Shareholding as on 31st March, 2014 was 82,68,499 shares, which in, percentage terms was 38.90 % of the issued and subscribed capital, out of which 78,39,377 shares aggregating 36.88 % of the capital represent Promoters' Holding and hence are included in Promoters' category.

The Indian public shareholding includes Non-Executive Independent Director shareholding as under:

Shri. H.T. Kapadia 11,448

Shri. A.W.Ketkar 324

Distribution of Shareholding as on 31st March, 2014.

No. of Shares held	No. of Folios	Percentage	Shares	Percentage
Upto 500	12268	86.3579	1300254	6.1166
501 to 1000	884	6.2227	723716	3.4045
1001 to 2000	441	3.1043	685488	3.2246
2001 to 3000	183	1.2882	466671	2.1953
3001 to 4000	94	0.6617	336716	1.5840
4001 to 5000	76	0.5350	360817	1.6973
5001 to 10000	117	0.8236	872668	4.1052
10001 to 30000	88	0.6195	1560683	7.3417
30001 to 50000	15	0.1056	591109	2.7807
50001 to 100000	15	0.1056	1113097	5.2362
100001 and above	25	0.1760	13246602	62.3140
<b>TOTAL</b>	<b>14206</b>	<b>100.0000</b>	<b>21257821</b>	<b>100.0000</b>

#### Dematerialisation of Shares and liquidity

As on 31st March, 2014, out of 2,12,57,821 Equity Shares of the Company 1,94,99,502 Equity Shares representing 91.73% Equity shares, have been dematerialized by 6118 shareholders. The total number of shareholders of the Company are 14,206.

The Company has not issued any GDRs, ADRs, Warrant or any convertible instruments, the conversion of which will have an impact on equity shares of the Company.

The address of the correspondence : The Company Secretary  
The Dharamsi Morarji Chemical Co. Ltd.  
Prospect Chambers, 317/21, Dr. D. N. Road,  
Fort, Mumbai 400 001.  
Tel : 022 2204 8881/2/3  
Fax : 022 2281 3657  
E-mail : dgokhale@dmcc.com

#### Plant Locations:

- (1) Ambernath : M. G. Road, Ambernath 421 501, Dist. Thane, Maharashtra.
- (2) Roha : 105, MIDC Industrial Area, Audyogik Vasahat Post Office, Dhatav, Roha 402 116, Dist. Raigad, Maharashtra
- (3) Jhar : Jhar Village, Taluka – Dhari, Dist. Amreli 365630, Gujarat.
- (4) Khemli : Khemli Village, Tehsil – Mavli, Dist. Udaipur, Rajasthan.

Date : 28th May, 2014

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,  
**The Dharamsi Morarji Chemical Co. Ltd.,**  
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **The Dharamsi Morarji Chemical Co. Ltd.**, for the period ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **K.S.AIYAR & CO.**  
Chartered Accountants  
FRN: 100186W

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128

Mumbai : 28th May, 2014



## INDEPENDENT AUDITOR'S REPORT

To the Members of The Dharamsi Morarji Chemical Co. Limited.

### Report on the Financial Statements

We have audited the accompanying financial statements of **The Dharamsi Morarji Chemical Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Basis for Opinion

*The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 lacs till 31<sup>st</sup> March, 2009 considering unabsorbed loss up to 31<sup>st</sup> March, 2008 and unabsorbed depreciation up to 31<sup>st</sup> March, 2009. For the subsequent financial periods, further net deferred tax asset has not been recognized in view of management's perceptions and reason detailed in Note No.V(c). We are not in a position to opine on the net deferred tax asset recognized till date as regards its ultimate realization since the virtual certainty of the available sufficient future taxable income, as required by Accounting Standard 22 i.e. 'Accounting for taxes on income' notified pursuant to Companies (Accounting Standards) Rules, 2006, could not be substantiated.*

*Had the Company not recognized the said net deferred tax asset aggregating to Rs.2654.15 Lacs, the Accumulated losses as at the end of the year would have been higher by Rs.2654.15 Lacs.*

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For K.S.Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 100186W

**Raghuvir M. Aiyar**  
Partner  
Membership Number: 38128

Mumbai, 28.05.2014

## ANNEXURE TO THE AUDITORS' REPORT

### Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) are not applicable.
- (b) The Company has taken interest free loan amounting to Rs. 1715.43 Lacs from a director of the Company and inter-corporate deposits of Rs.523.80 Lacs from four parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion and according to the information and explanations given to us, the terms and conditions of the unsecured loans taken were prima facie not prejudicial to the interest of the Company.
- (d) According to the information and explanations given to us the repayment terms of the principal amounts are not decided.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of Companies Act, 1956 have so been entered in register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, these contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits during the year from the public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company which have been made pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Customs Duty and Wealth Tax, Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Cess and other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, the following undisputed statutory dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.

Nature of Dues	Period to which Amount relates	Due Dates	Amount (Rs. In Lacs)
Service Tax & Interest	2005-06	Various	0.19
	2006-07	Various	35.34
	2007-08	Various	33.31
	2008-09	Various	3.53
	<b>Total</b>		<b>72.37</b>

- (b) According to the records of the Company, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of dispute are given below:

Name of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which relate	Amount (Rs in Lacs)
Central Excise Act	Duty/Interest/Penalty	Asst.Commissioner	June 1999 to August 1999	2.29
	Duty/Interest/Penalty	Asst.Commissioner	Sept 1999 to Dec 1999	1.81
	Duty/Interest/Penalty	Asst.Commissioner	Jan 2000 to June 2000	3.04
	Duty/Interest/Penalty	Asst.Commissioner	July 1996 to May 1999	4.03
	Duty/Interest/Penalty	Asst.Commissioner	July 2000 to May 2001	2.68
	Duty/Interest/Penalty	Asst.Commissioner	Various	24.48
	Duty/Interest/Penalty	Asst.Commissioner	Various	0.57



Name of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which relate	Amount (Rs in Lacs)
	Duty/Interest/Penalty	Asst. Commissioner	August 2003 to May 2004	1.18
	Duty/Interest/Penalty	Commissioner		56.59
	Duty	Dy. Commissioner		3.79
	Duty on captive consumption	Asst. Commissioner	Various	0.80
	Alleged undervaluation of SA	CESTAT	Various	9.76
	Transport Fees on SDS	Bombay High Court	2007-08 to 2013-14	37.51
			<b>Total</b>	<b>148.53</b>
Sales Tax Act	Tax/Interest/Penalty	Appellate Tribunal	1992-93	6.91
	Tax/Interest/Penalty	Appellate Tribunal	1993-94	4.20
			<b>Total</b>	<b>11.11</b>
Entry Tax	Tax/Interest	High Court		4.47

- (x) The accumulated losses of the Company are more than fifty percent of the Net Worth of the Company as at the end of the year and it has not incurred any cash loss during the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loan taken from a Bank has been utilized for the purpose for which it is taken.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For K.S.Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 100186W

**Raghuvir M. Aiyar**  
Partner  
Membership Number: 38128

Mumbai, 28.05.2014

# BALANCE SHEET

AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-03-2014 Rs. In lacs	As at 31-03-2013 Rs. In lacs
<b>Equity and Liabilities</b>			
(1) Shareholders' Funds			
(a) Share Capital	I	3005.78	3005.78
(b) Reserves and Surplus	II	(1295.81)	(2901.73)
(2) Non Current Liabilities	III		
(a) Long Term Borrowings		2687.24	2567.05
(b) Other Long Term Liabilities		1475.70	3714.45
(c) Long Term Provisions		232.38	240.13
(3) Current Liabilities	IV		
(a) Trade Payables		1804.67	1854.35
(b) Other Current Liabilities		1845.63	2413.70
(c) Short Term Provisions		97.20	107.22
<b>TOTAL</b>		<b>9852.79</b>	<b>11000.95</b>
<b>Assets</b>			
(1) Non Current Assets	V		
(a) Fixed Assets			
(i) Tangible assets		2562.20	3444.55
(ii) Capital Work in Progress		86.32	55.29
(b) Non Current Investments		26.62	1.62
(c) Deferred Tax Assets (Net)		2654.15	2654.15
(d) Long Term Loans and Advances		193.43	207.91
(2) Current Assets	VI		
(a) Inventories		814.37	621.21
(b) Trade Receivables		1705.88	1161.98
(c) Cash and Bank Balances		178.63	169.71
(d) Other Current Assets		1631.19	2684.53
<b>TOTAL</b>		<b>9852.79</b>	<b>11000.95</b>
Significant Accounting Policies and other Explanatory Information	XIII		

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T. GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186W

H. T. KAPADIA  
Director

D. K. SUNDARAM  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 28th May, 2014

Mumbai, 28th May, 2014



# STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH 2014

Particulars	Note No.	for the year ended on 31.03.2014 Rs.in Lacs	for the year ended on 31.03.2013 Rs.in Lacs
Revenue from Operations	VII	10130.60	8559.15
Other Income	VIII	42.02	66.03
<b>Total Revenue</b>		<b>10172.62</b>	<b>8625.18</b>
<b>Expenses</b>			
Cost of materials consumed	IX	5975.68	5604.52
Employee benefits expense	X	654.55	554.30
Other expenses	XI	1963.43	1971.49
Profit/(Loss) before Finance Costs, Depreciation and Tax		1578.96	494.87
Finance Costs		238.30	250.60
Profit/(Loss) before Depreciation and Tax		1340.66	244.27
Depreciation		347.39	509.96
Non-recurring items	XII	612.65	3591.07
Profit/(Loss) before Tax		1605.92	3325.38
Tax Expenses		-	-
Profit/(Loss) after Tax		1605.92	3325.38
Earning per share	XIII(8)	7.25	15.34
Significant Accounting Policies and other Explanatory Information	XIII		

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T. GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186W

H. T. KAPADIA  
Director

D. K. SUNDARAM  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 28th May, 2014

Mumbai, 28th May, 2014

# NOTES TO BALANCE SHEET

**NOTE: I SHARE CAPITAL**

	As at 31-03-2014		As at 31-03-2013	
	Numbers	Rs. In Lacs	Numbers	Rs. In Lacs
<b>(a) Shares authorized</b>				
Equity Shares of Rs.10/- each	30000000	3000.00	30000000	3000.00
Preference Shares of Rs.100/- each	1000000	1000.00	1000000	1000.00
	<u>31000000</u>	<u>4000.00</u>	<u>31000000</u>	<u>4000.00</u>
<b>(b) Shares issued</b>				
Equity Shares of Rs.10/- each	21257821	2125.78	21257821	2125.78
Preference Shares of Rs.100/- each	880000	880.00	880000	880.00
	<u>22137821</u>	<u>3005.78</u>	<u>22137821</u>	<u>3005.78</u>
<b>(c) Shares subscribed and fully paid :</b>				
Equity Shares of Rs.10/- each	21257821	2125.78	21257821	2125.78
Preference Shares of Rs.100/- each	880000	880.00	880000	880.00
	<u>22137821</u>	<u>3005.78</u>	<u>22137821</u>	<u>3005.78</u>
<b>Total</b>		<u><u>3005.78</u></u>		<u><u>3005.78</u></u>

**(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ;**

Particulars	As at 31-03-2014		As at 31-03-2013	
	Numbers	Rs. In Lacs	Numbers	Rs. In Lacs
<b>Equity Shares.</b>				
Shares outstanding at the beginning of the year	21257821	2125.78	21257821	2125.78
Shares outstanding at the end of the year	21257821	2125.78	21257821	2125.78
<b>Preference Shares</b>				
Shares outstanding at the beginning of the year	880000	880.00	880000	880.00
Shares outstanding at the end of the year	880000	880.00	880000	880.00

**Terms/Rights attached to Equity Shares:**

The Company is having only one class of Equity shares having a nominal value of Rs.10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution to the Equity shareholders will be in proportion of the number of shares held by each shareholder

**Terms/Rights attached to Preference Shares:**

(i) 600000, 8% Redeemable Cumulative non- convertible Preference Shares of Rs.100/- each aggregating to Rs.600 Lacs were to be redeemed in 5 Equal instalments of Rs.120 Lacs each commencing from 2008-09 to 2012-13. But due to the Accumulated Losses & Critical cash flow and financial position of the Company, the Company was not in a position to redeem these Preference Shares during 2008-2009 to 2012-2013. The Company therefore had approached & requested the Preference Share-holders for further extension of redemption period by 5 years for the redemption of these Preference Shares from 2013-14 to 2017-18. Accordingly, these Preference Share-holders have agreed for further extension of 5 years from 2013-14 to 2017-18. The extension period of redemption have been approved by the Board of Directors in its meeting held on 30.01.2014.

The cumulative dividend on these Preference Shares aggregating to Rs.528 Lacs (Previous year Rs. 480 Lacs) is to be paid as and when declared by the Company.

(ii) 280000, 2.5% Redeemable Cumulative non- convertible Preference Shares of Rs.100/- each aggregating to Rs.280 Lacs are redeemable in 16 Equal instalments of Rs.17.5 Lacs each commencing from 1st April 2012. However, the Company has not redeemed the preference shares as per the redemption schedule in view of the carried forward losses.

The cumulative dividend on these Preference Shares aggregating to Rs. 43.81 Lacs (Previous year Rs. 36.81 Lacs) is to be paid as and when declared by the Company.



# NOTES TO BALANCE SHEET

The holders of all Preference shares do not have any voting rights.

The holders of all Preference shares have a first right of cumulative dividend as compared to the shareholders of Equity shares in case the Company declares any dividend.

In the event of liquidation of the Company, all preference shareholders will have a priority over the Equity shareholders to receive remaining assets of the Company, after distribution of all other preferential amounts. The distribution to the Preference shareholders will be in proportion of the number of shares held by each shareholder

**(f) Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held**

Particulars	As at 31-03-2014		As at 31-03-2013	
	Numbers	Percentage	Numbers	Percentage
Shri Laxmikumar Narottam Goculdas	7839377	36.88%	7878914	37.06%

**NOTE: II RESERVES & SURPLUS**

	As at 31-03-2014 Rs. In Lacs	As at 31-03-2013 Rs. In Lacs
Capital Reserve	3363.24	3363.24
Securities Premium Account	98.81	98.81
Other Reseves		
(i) Subsidy from Government of Gujarat	25.00	25.00
(ii) Subsidy from Government of Maharashtra	20.00	20.00
(iii) Subsidy from Government of Rajasthan	15.00	15.00
(iv) Export Profit Reserve	1.80	1.80
(v) Amalgamation Reserve	4.79	4.79
<b>Surplus/(Deficit)</b>		
Balance as per last accounts	(6430.37)	(9755.75)
Add:- Profit / (Loss) of the current year transferred from Statement of Profit & Loss.	1605.92	3325.38
Total Surplus/(Deficit)	(4824.45)	(6430.37)
<b>Total</b>	<b>(1295.81)</b>	<b>(2901.73)</b>

## NOTES TO BALANCE SHEET

### Note: III Non Current Liabilities

	As at 31-03-2014 Rs. In Lacs	As at 31-03-2013 Rs. In Lacs
<b>(a) Long Term Borrowings</b>		
<b>Secured</b>		
<b>(i) Term Loan from a Bank</b>	113.36	218.42
Repayable in 25 EMI's commencing from 26-01-2014. Rate of interest is 14%. 3 EMI's have been paid in time, up to 31st March, 2014 and 22 are remaining to be paid as on that date. Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai. Out of total outstanding term loan as on 31st March, 2014 of Rs.234.36 Lacs, amount due in next twelve months is Rs.121.00 Lacs. Hence this amount of Rs.121.00 Lacs is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' and the balance Term Loan of Rs.113.36 Lacs is shown above as Term Loan from a Bank. (See Note No. IV(b)). Out of total outstanding loan as on 31st March, 2013 of Rs. 319.91 Lacs, amount due in next twelve months was Rs. 101.49 Lacs. Hence this amount of Rs.101.49 Lacs is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities', and the balance Term Loan of Rs.218.42 Lacs is shown above as "Term Loan from a Bank. {See Note No. IV(b)}		
<b>(ii) Working Capital Term Loan :</b>	326.83	-
Repayable in 60 EMI's commencing from 17-02-2014. Rate of interest is 14%. 2 EMI's have been paid in time, up to 31st March, 2014 and 58 are remaining to be paid as on that date. Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai. Out of total outstanding term loan as on 31st March, 2014 of Rs.392.56 Lacs, amount due in next twelve months is Rs.65.73 Lacs. Hence this amount of Rs.65.73 Lacs is shown as 'Current maturities of Working Capital Term Loan under 'Other Current Liabilities' and the balance Working Capital Term Loan of Rs.326.83 Lacs is shown above as Working Capital Term Loan from a Bank.		
<b>(iii) Car Loan from a bank</b>	7.82	16.40
Repayable in 24 EMI's commencing from 26-01-2014. Rate of interest is 11.00%. 3 EMI's have been paid in time, up to 31st March, 2014 and 21 are remaining to be paid as on that date. Secured against hypothecation of vehicles. Out of total outstanding car loan as on 31st March, 2014 of Rs. 17.68 Lacs, amount due in next twelve months is Rs. 9.86 Lacs. Hence this amount of Rs. 9.86 Lacs is shown as 'Current maturities of Long Term Debts (Car Loan) under 'Other Current Liabilities' and the balance Car Loan of Rs. 7.82 Lacs is shown above as Car Loan from a Bank. (See Note No. IV(b)). Out of total outstanding loan as on 31st March, 2013 of Rs. 25.04 Lacs, amount due in next twelve months was Rs. 8.64 Lacs. Hence this amount of Rs.8.64 Lacs is shown as 'Current maturities of Long Term Debts' (Car Loan) under 'Other Current Liabilities', and the balance Car Loan of Rs.16.40 Lacs is shown above as Car Loan from a Bank. {See Note No. IV(b)}		
	<u>448.01</u>	<u>234.82</u>
<b>Unsecured</b>		
(i) Inter Corporate Deposits from related parties	523.80	616.80
(ii) Loans from a Director / estate of a late Director. These inter corporate deposits and loans from a Director / estate of a late Director are unsecured, interest free and terms of repayment are not decided.	<u>1715.43</u>	<u>1715.43</u>
Sub-Total	<u>2687.24</u>	<u>2567.05</u>
<b>(b) Other Long Term Liabilities</b>		
(i) Advance received from a Strategic Investor	1404.35	3669.10
(ii) Advance received against sale of Land at Navlakhhi	45.35	45.35
(ii) Security Deposits received against Royalty	<u>26.00</u>	<u>-</u>
	<u>1475.70</u>	<u>3714.45</u>
<b>(c) Long Term Provisions:</b>		
Provision for Employee Benefits	<u>232.38</u>	<u>240.13</u>
<b>Total</b>	<u><u>4395.32</u></u>	<u><u>6521.63</u></u>



# NOTES TO BALANCE SHEET

## Note: IV Current Liabilities

	As at 31-03-2014 Rs. In Lacs		As at 31-03-2013 Rs. In Lacs	
(a) Trade Payable (*)		<b>1804.67</b>		1854.35
(b) Other Current Liabilities				
Current maturities of Long Term Debts (See Note III (a)(i))	<b>121.00</b>		101.49	
Current maturities of Working Capital Term Loan (See Note III (a)(ii))	<b>65.73</b>		-	
Current maturities of Long Term Debts (Car Loan) (See Note III (a) (iii))	<b>9.86</b>		8.64	
Acceptances (Export Bills Discounting)	<b>148.74</b>		171.36	
Unclaimed Matured Deposits	<b>1.76</b>		5.11	
Trade Deposits	<b>393.55</b>		542.24	
Other Payables. (**)	<b>1104.99</b>	<b>1845.63</b>	<u>1584.86</u>	2413.70
(c) Short Term Provisions				
Provision for Employee Benefits	<b>93.65</b>		92.59	
Provision for Taxation	<b>3.55</b>	<b>97.20</b>	<u>14.63</u>	107.22
<b>Total</b>		<b><u>3747.50</u></b>		<u>4375.27</u>

(\*) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues at the Balance Sheet date, computed on unit wise basis. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year ended on the Balance Sheet date, nor is any interest payable to any Micro, Small and Medium Enterprises on the Balance sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(\*\*) Other Payables include Rs. 109.70 Lacs (Previous year Rs. 139.85 Lacs) of overdue Sales Tax Loan for which the Company has sought revised schedule for repayment from the Concerned Authorities.





# NOTES TO BALANCE SHEET

## V-(a) Fixed assets - Tangible

Rs. in lacs

Description	GROSS BLOCK			DEPRECIATION				IMPAIRMENT LOSS	NET BLOCK		
	As on 01.04.2013	Addition	Deductions	As on 31.03.2014	As on 01.04.2013	Deductions	During the Year	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013	
Free Hold Land	52.57	-	-	52.57	-	-	-	-	-	52.57	52.57
Lease Hold Land	12.49	-	-	12.49	4.31	-	0.21	4.52	-	7.97	8.18
Buildings	969.65	7.82	0.21	977.26	423.40	-	24.09	447.49	-	529.77	546.25
Plant & Equipments - Owned	12362.64	200.25	3648.30	8914.59	8880.13	2904.34	314.59	6290.38	729.28	1894.93	2753.23
Furniture & Fixtures	93.50	0.63	-	94.13	87.82	-	0.64	88.46	-	5.67	5.68
Vehicles	104.51	-	16.05	88.46	62.96	12.11	3.61	54.46	-	34.00	41.55
Office Equipments	260.74	4.56	0.32	264.98	223.65	0.21	4.25	227.69	-	37.29	37.09
<b>TOTAL</b>	<b>13856.10</b>	<b>213.26</b>	<b>3664.88</b>	<b>10404.48</b>	<b>9682.27</b>	<b>2916.66</b>	<b>347.39</b>	<b>7113.00</b>	<b>729.28</b>	<b>2562.20</b>	<b>3444.55</b>
<b>Previous Year</b>	<b>17800.60</b>	<b>164.99</b>	<b>4109.49</b>	<b>13856.10</b>	<b>12489.30</b>	<b>3316.99</b>	<b>509.96</b>	<b>9682.27</b>	<b>729.28</b>	<b>3444.55</b>	

## V-(c) Deferred Tax Assets (Net)

The Company's export business over the last three years has been growing at an impressive rate of 50%. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the company. The focused R & D activity to identify and develop relevant products meeting high quality standards has always remained vital to the company's business, and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Speciality and Bulk chemicals. In the near term, the company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened. Consequently, there is virtual certainty of realization of "Deferred Tax asset" mainly resulting from unabsorbed depreciation and carried forward losses. Accordingly, the recognized "Deferred Tax Asset" of Rs. 2654.15 Lacs as at 31.03.2009, without any addition, is being carried forward.

The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2014 and 31.03.2013, recognised by the Company in the books of account, is as follows :

Particulars	As at 31-03-2014 Rs. In Lacs	As at 31-03-2013 Rs. In Lacs
Deferred Tax Liabilities :		
Difference between book and tax depreciation	1611.05	1611.05
Others	221.90	221.90
Total	<u>1832.95</u>	<u>1832.95</u>
Deferred Tax Assets :		
Unabsorbed depreciation / Business loss	3610.68	3610.68
Others	876.42	876.42
Total	<u>4487.10</u>	<u>4487.10</u>
Net Deferred Tax Liabilities / (Deferred Tax Assets) :	<u>(2654.15)</u>	<u>(2654.15)</u>

## NOTES TO BALANCE SHEET

### Note: VI Current Assets

	As at 31-03-2014 Rs. In Lacs		As at 31-03-2013 Rs. In Lacs	
(a) Inventories (For policy on valuation basis refer Note No. XIII (1))				
Raw materials	200.68		94.13	
Material in process (Manufactured)	8.18		7.50	
Finished Goods - Own	362.62		315.73	
Stores and Spares	<u>242.89</u>	<u>814.37</u>	<u>203.85</u>	621.21
(b) Trade Receivables				
Unsecured, considered good				
Outstanding for a period of more than six months	781.00		113.70	
Outstanding for a period of less than six months	<u>924.88</u>	<u>1705.88</u>	<u>1048.28</u>	1161.98
(c) Cash and Bank Balances				
Cash and Cash Equivalent				
Balances with Banks in Current Accounts	81.08		102.37	
Cash on hand	15.93		4.52	
Fixed deposits with Banks kept as margin money for issuing Bank Guarantee.	<u>81.62</u>	<u>178.63</u>	<u>62.82</u>	169.71
(d) Other Current Assets				
Prepaid Expenses	76.41		42.38	
Deposits with Excise, Sales Tax, Customs and other Government bodies	397.98		256.31	
Receivable on account of sale of fixed assets	978.76		2257.47	
Others	<u>178.04</u>	<u>1631.19</u>	<u>128.37</u>	2684.53
Total		<u><u>4330.07</u></u>		<u><u>4637.43</u></u>

#### Note VI(a)

##### Details of Inventories

##### Raw Materials

	Opening Stock		Closing Stock	
Sulphur	35.14		145.00	
	(66.31)		(35.14)	
Special Denatured Spirit	23.85		10.08	
	(10.06)		(23.85)	
Others	35.14		45.60	
	(44.78)		(35.14)	
Total	<u>94.13</u>		<u>200.68</u>	
	<u>(121.15)</u>		<u>(94.13)</u>	

Figures in bracket are in respect of the previous year

##### Finished Goods (Own)

	Opening Stock		Closing Stock	
Commodity Chemicals	27.22		46.99	
	(74.05)		(27.22)	
Speciality Chemicals	286.32		314.45	
	(254.24)		(286.32)	
Others	2.19		1.18	
	(0.75)		(2.19)	
Total Manufactured Finished Goods	<u>315.73</u>		<u>362.62</u>	
	<u>(329.04)</u>		<u>(315.73)</u>	

Figures in bracket are in respect of the previous year



# NOTES TO STATEMENT OF PROFIT AND LOSS

## Note : VII Revenue from Operations

	for the year ended on 31.03.2014 Rs.in Lacs	for the year ended on 31.03.2013 Rs.in Lacs
<b>From Sale of Products Own Chemicals</b>		
Commodity Chemicals	3373.98	3340.85
Speciality Chemicals	6499.66	4630.94
Other Chemicals	244.41	247.52
From sale of Products - Traded	237.57	544.34
From Royalty / Processing charges (SSP - Fertiliser)	328.28	317.05
	<u>10683.90</u>	<u>9080.70</u>
Less : Excise Duty	553.30	521.55
	<u>10130.60</u>	<u>8559.15</u>

## Note : VIII - Other Income

	for the year ended on 31.03.2014 Rs. In Lacs	for the year ended on 31.03.2013 Rs. In Lacs
Interest Income	11.16	12.45
Dividend Income	0.84	0.84
Profit on sale of fixed assets	0.06	0.17
Other non-operating income (net)	29.96	52.57
TOTAL	<u>42.02</u>	<u>66.03</u>

## Note - IX Cost of materials consumed

	for the year ended on 31.03.2014 Rs. In Lacs	for the year ended on 31.03.2013 Rs. In Lacs
Sulphur	2777.26	2624.20
Special Denatured Spirit	574.39	565.89
Others	2138.52	1698.20
Purchases of stock in trade	233.40	520.67
Cost of packing materials consumed	299.68	179.46
Decrease/(Increase) in inventories of finished goods, work in progress and Traded goods	(47.57)	16.10
	<u>5975.68</u>	<u>5604.52</u>

## Note : X - Employee Benefits Expense

	for the year ended on 31.03.2014 Rs. In Lacs	for the year ended on 31.03.2013 Rs. In Lacs
Salaries and Wages (Net after Repairs)(*)	517.14	419.44
Contribution to Provident Fund	23.44	33.46
Contribution to Other Funds (Gratuity Superannuationetc)	69.49	58.45
Staff Welfare Expenses	44.48	42.95
Total	<u>654.55</u>	<u>554.30</u>
(*) Salaries & Wages allocated to Repairs etc.	<u>56.44</u>	<u>52.84</u>

## NOTES TO STATEMENT OF PROFIT AND LOSS

**Note : XI - Other Expenses**

	Rs. in lacs	
	for the year ended on 31.03.2014	for the year ended on 31.03.2013
Consumption of Stores & Spares (Net after Repairs)(*)	1.13	1.55
Power & Fuel	673.84	647.33
Repairs to buildings	24.09	31.84
Repairs to machinery	407.68	352.31
Insurance	14.55	11.12
Rates and taxes	11.17	11.91
Internal handling Freight and carriage outward	504.65	374.87
Net loss/(gain) on foreign currency transactions	(31.27)	12.56
<b>Auditors' Remuneration</b>		
Audit fees	4.50	4.50
Tax audit fees	1.40	1.40
For other services	1.53	2.10
Reimbursement of out of pocket expenses	0.39	0.35
Sundry balances written off / (written back) (net)	(96.11)	164.89
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets	9.71	3.43
Miscellaneous expenses	436.17	351.33
Bad Debts Written Off	-	1846.08
Less: Provision for Doubtful Debts utilised	-	(1846.08)
Doubtful Advances Writtent Off	-	152.14
Less: Provision for Doubtful Advances utilised	-	(152.14)
TOTAL	<u>1963.43</u>	<u>1971.49</u>
(*) Consumption of Stores & Spares allocated to Repairs etc.	<u>236.11</u>	<u>157.44</u>

**Note : XII - Non Recurring items**

	for the year ended on 31.03.2014	for the year ended on 31.03.2013
Profit on Sale of Fixed Assets - Ambarnath Factory	612.65	3789.65
Written Down Value of Assets Scrapped - Ambarnath Factory	0.00	(198.58)
TOTAL	<u>612.65</u>	<u>3591.07</u>

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T. GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186W

H. T. KAPADIA  
Director

D. K. SUNDARAM  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai 28th May 2014

Mumbai 28th May 2014



# SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR APRIL 2013 TO MARCH 2014

## NOTE : XIII

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The Company follows the accrual basis of accounting.

#### **Fixed Assets**

Fixed Assets are stated at cost of acquisition or construction, including attributable interest & financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

#### **Method of Depreciation**

Depreciation on all Fixed Assets acquired upto 31.12.1981 is provided on Written Down Value method. Depreciation on all Fixed Assets acquired after 31.12.1981 is provided on Straight Line method.

From the year 1993-94, depreciation on all assets (except continuous process plant and machinery acquired between 01.01.1982 to 31.03.1993) has been provided at the rates specified in Schedule XIV to the Companies Act, 1956, as revised by the notification dated 16th December, 1993, issued by the Department of Company Affairs. In respect of continuous process plant and machinery acquired between 01.01.1982 to 31.03.1993, the specified period (during which the Plant and Machinery is to be depreciated) has been recalculated considering the depreciation already provided upto 31.03.1993 and depreciation from the year 1993-94 has been provided at the reworked rates, which are lower than Schedule XIV rates as per the option given in Guidance Note issued by the Institute of Chartered Accountants of India.

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

#### **Treatment of Expenditure during the Construction period**

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective fixed assets. Interest on specific borrowings relating to acquisition of fixed assets is capitalised upto the date of commissioning.

#### **Valuation of Inventories**

Inventories and stores are valued at lower of cost and net realisable value. Cost of Raw materials is computed on an annual weighted average basis. In respect of finished goods / work-in-progress, cost is determined by taking into consideration all direct costs and systematic allocation of related fixed & variable overheads.

#### **Investments**

Long-term investments are carried at cost. However provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are stated at costs or fair value whichever is lower.

#### **Revenue**

Revenue from Gross Sales include Processing Charges, Excise Duty, Freight on sale of finished goods. Domestic sales are recognised on despatch of products and are stated net of returns. Export sales are accounted on the basis of dates of Bill of Lading. For goods sent on consignment basis, revenue from sale is recognized upon its intimation by the consignment agents. Royalty income on account of usage of Company's Product Brand name is accounted for as per the agreed terms with the concerned manufacturers.

#### **Taxation**

Income Tax expense comprises of Current Tax and Deferred Tax charge or credit.

##### i) Current Tax :

A provision is made for the Current Tax based on Tax Liability computed in accordance with relevant provisions & tax rates as per the Income Tax Act, 1961.

##### ii) Deferred Tax :

The Deferred Tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

#### **Employees' Benefits**

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund and Gratuity Fund (based on actuarial valuation) are being charged to the Statement of Profit and Loss.

The Company has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The Company's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss.

**Foreign Currency Transactions**

- (i) Monetary items of assets/liabilities denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or expense for the year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.
- (ii) Non Monetary items of assets/liabilities which are carried in terms of historical cost determined in a foreign currency are reported using the exchange rate at the date of transaction.
- (iii) Gain or Loss arising out of translation / conversion is taken credit for or charged to the Statemnt of Profit and Loss.

**Provisions / Contingencies**

Provision is recognised when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value & are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefit is remote.

**Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed, depending on changes in circumstances, if any.

**2 Contingent Liabilities not provided for:**

	Rs. in Lacs	
	As at 31st March, 2014	As at 31st March, 2013
(i) Outstanding claims in respect of Excise Duty, Sales-Tax, etc.	110.14	44.55
(ii) Guarantees given by the Company's Bankers	36.46	36.46
(iii) Arrears of Cumulative Preference Dividend	571.81	516.81
(iv) Claims against Company not acknowledged as debts	55.76	55.76
(v) Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	10.36	7.25

**3** Wages, Salaries and Bonus include provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement in accordance with Accounting Standard 15 notified pursuant to the Companies (Accounting Standards) Rules, 2006 . Contribution to Provident and other funds includes Company's contribution to Provident Fund, Family Pension Fund, Gratuity Fund (based on actuarial valuation) and Superannuation Fund.

**4** In view of the "Unabsorbed Depreciation" & "Unabsorbed Business Losses" accruing from the past years, there is no taxable income during the year ended 31st March, 2014 and for the year ended 31st March, 2013. Accordingly, No provision has been made in respect of current income tax.

**5** The Company had obtained the requisite approval of the shareholders under section 293(1)(a) of the Companies Act, 1956 for sale / transfer / disposal of its Land, Factory Buildings and Plant & machinery at its Ambarnath factory. (Written Down Value of the fixed assets of the Company at its Ambarnath factory as on 31-03-2014 is Nil (previous year is Rs. 736.87 Lacs). Therefore, while reporting "Segment Results", in Note No. (6) to the accounts, depreciation of Ambarnath factory has been shown separately . Also Profit on sale of Fixed Assets of Ambarnath factory and Written Down Value of Assets scrapped of Ambarnath Factory along with Current Assets and Current Liabilities relating to the Ambarnath factory of the Company has been excluded for segment-wise reporting of "Capital Employed".

**6 Segment Reporting :**

The Company has disclosed Business Segments as its primary segments. Reporting segments have been identified as Fertilisers, Chemical and others/unallocated, taking into account the nature of products, the different risks and returns, the organisation structure and the internal reporting system.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also the amounts allocated on a reasonable basis to the respective segments. The expenses, which are not directly related to the business segments, are shown as unallocated costs. Corporate current assets and liabilities have been allocated on the basis of turnover of the segments. Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated assets & liabilities. Inter Segment Transfers are at cost of production.



**SEGMENT INFORMATION FOR THE PERIOD April 2013 TO 31st March 2014**

**INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS**

	<b>Fertilisers</b>	<b>Chemicals</b>	<b>Others / Unallocated Expenditure</b>	<b>Total</b>
	<b>[ Rs in Lacs ]</b>	<b>[Rs in Lacs]</b>	<b>[ Rs. in Lacs ]</b>	<b>[ Rs. in Lacs ]</b>
<b>REVENUE (NET)</b>				
Domestic Sales (Net of Excise Duty)	328.28 (317.05)	5130.70 (5071.85)	6.02 0.00	5465.00 (5388.90)
Export Sales		4665.60 (3170.25)		4665.60 (3,170.25)
Total Segment Revenue	328.28 (317.05)	9796.30 (8242.10)	6.02 0.00	10130.60 (8559.15)
<b>RESULT ( Profit / -Loss before Tax, Interest, Non-operating income, exceptional items and Unallocated Expenditure)</b>	53.85 (25.58)	1182.71 (302.53)	-4.13 (-130.50)	1232.43 (197.61)
Operating Profit				1232.43 (197.61)
Finance Cost				238.30 (250.60)
<b>Profit/ - Loss before Other Income</b>				994.13 (-52.99)
Add :- Profit on sale of Fixed Assets of Ambernath Factory				612.65 (3789.65)
Less : Written Down Value of Assets scrapped of Ambernath Factory				0 (198.58)
Less : Depreciation of Ambernath Factory				0.86 (212.70)
<b>Profit / - Loss</b>				1605.92 (3325.38)
<b><u>OTHER INFORMATION</u></b>				
Segment Assets	364.75 (348.00)	5609.07 (4738.12)	227.21 (236.46)	6201.03 (5322.58)
Segment Liabilities	132.19 (146.19)	3594.62 (3130.28)	1.12 (0.31)	3727.93 (3276.78)
Capital Expenditure	0.10 (0.79)	244.19 (100.34)	0.00 (0.00)	244.29 (101.13)
Depreciation	14.49 (15.90)	320.85 (271.23)	12.05 (222.83)	347.39 (509.96)
<b><u>Segment Assets exclude :</u></b>				
Deferred Tax Asset				2654.15 (2654.15)
Fixed Assets & Current Assets relating to Ambernath Factory {Note No. XIII (5)}				997.60 (3024.23)
<b><u>Segment Liabilities exclude :</u></b>				
Secured Loans				1656.40 (4185.40)
Unsecured Loans				2348.93 (2472.08)
Current Liabilities relating to Ambernath Factory {Note No. XIII (5)}				409.54 (962.63)

**Note : Figures in brackets pertain to Previous Year.**

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## Information about Secondary Segments :- Geographical

	for the period ended	
	31.03.2014	31.03.2013
	<b>Rs. in Lacs</b>	
a) Revenue by Geographical Market		
India - Fertilisers	328.28	317.05
- Chemicals	5130.70	5071.85
Outside India - Chemicals	4665.60	3170.25
- Unallocated	6.02	0.00
Total	10130.60	8559.15
b) Carrying Amount of Segment Assets		
India - Fertilisers	364.75	348.00
- Chemicals	4926.52	4353.05
- Unallocated	227.21	236.46
Outside India - Chemicals	682.55	385.07
Total	6201.03	5322.58
c) Addition to Fixed Assets and Intangible Assets *		
India	213.26	164.99
Outside India	0.00	0.00
Total	213.26	164.99

\* excludes Capital Work-in Progress.

## 7 Other Additional information :

	April 2013 to March 2014 Value (Rs.in Lacs)	April 2012 to March 2013 Value (Rs.in Lacs)
(i) <b>VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED</b>		
Raw Materials and Boughtouts:		
Imported	-	-
Indigenous	5723.57 (100.00%)	5408.96 (100.00%)
Stores, Spares and Components:		
Imported	-	-
Indigenous	237.23 (100.00%)	155.41 (100.00%)
(ii) <b>VALUE OF IMPORTS CALCULATED ON CIF BASIS :</b>		
Raw Materials & Boughtouts	0.00	0.00
(iii) <b>EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :</b>		
Foreign tours, Subscription, etc.	124.08	32.75
(iv) <b>EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :</b>		
Export of goods calculated on FOB basis	4390.10	2972.51

## 8 The working of basic, as well as diluted, earnings per equity share (in Rupees) is as follows :

	Apr 13/Mar 14	Apr 12/Mar 13
Numerator - Profit / (Loss) after tax & after deducting Preference dividend & tax thereon (Rs. Lacs)	1541.57	3261.46
Denominator - weighted average number of equity shares	21257821	21257821
Basic, as well as diluted, earnings per equity share ( in Rupees )	7.25	15.34



**9 Related Parties Disclosures :**

**(A) Promoters holding more than 20% of the voting power**

Name of the Related Parties

Nature of Relationship

- (i) Shri L.N.Goculdas Promoter and Chairman (holding more than 20% of the voting power)

**(B) Other Related Companies**

Name of the Related Parties

Nature of Relationship

- (i) Borax Morarji Ltd. Other Related Company  
(ii) The Natural Gas Co.Pvt.Ltd. Other Related Company  
(iii) L.P.Gas Transport & Bottling Co. Pvt.Ltd. Other Related Company  
(iv) Phoenix Distributors Pvt.Ltd. Other Related Company  
(v) Jasraj Trading Co. Other Related Company  
(vi) Kosan Industries Pvt.Ltd. Other Related Company  
(vii) Bombay Foods Pvt.Ltd. Other Related Company  
(viii) Borax Morarji (Europe) GMBH. Other Related Company

**(C) Key Managerial Personnel**

Name of the Related Parties

Nature of Relationship

- (i) Shri B.L.Goculdas Chief Executive Officer  
(ii) Shri D.T.Gokhale Executive Vice President & Company Secretary  
(iii) Shri D.K. Sundaram Chief Finance Officer

**(D) Transaction with Promoters holding more than 20% of the voting power**

**Rs.in lacs**

- Sitting Fees for attending Board and Committee meetings 0.45  
(0.50)

**(E) Transactions of the Other Related Companies**

**(Rs. in lacs)  
Other Related  
Companies**

**(i) Purchase of Goods/Services Received by the Company**

- (a) Borax Morarji Ltd. 95.83  
(5.59)  
(b) L.P.Gas Transport & Bottling Co. Pvt.Ltd. 7.78  
(2.44)  
(c) Purchase of Fixed Assets - Equipments by the Company from Borax Morarji Ltd. 74.21  
(-)

**(ii) Sale of Goods/Services Rendered by the Company**

- (a) Borax Morarji Ltd. 52.83  
(121.34)  
(b) Borax Morarji (Europe) GMBH 243.54  
(227.53)

**(iii) Expenses Reimbursed (Net) to the Company by Borax Morarji Ltd.**

4.09

**(iv) Closing balance of Borax Morarji Ltd. included in Current Assets of the Company**

(5.33)

79.69

**(v) Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Company**

(78.71)

42.85

**(vi) Closing balance of L.P. Gas & Bott. P. Ltd.included in Current Liability of the Company**

(-)

1.57

**(vii) Closing balance included in Unsecured Loan of the Company**

(-)

523.80

(616.80)

**(F) Transactions relating to Key Managerial Personnel / Related Party**

**Rs.in Lacs**

- (i) Remuneration 41.19  
(26.54)  
(ii) Rent / HRA paid for residential accommodation / other benefits 13.21  
(12.13)  
(iii) Closing balance as at year ended included in Outstanding liability of the Company 0.00  
(1.19)  
(iv) Unsecured Loan taken by the Company and outstanding as at the year end 1715.43  
(1715.43)

Related party relationships are as identified by the Company and relied upon by the Auditors.  
Figures in brackets pertain to Previous Year

## NINETY THIRD ANNUAL REPORT 2013-14

**10** The Company has prepared the financial statements for the year ended 31.03.2014 on a "Going Concern Basis" since the Company is confident that its profitability will improve in future in view of the following:

The Company's export business over the last three years has been growing at an impressive rate of 50%. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the company. The focused R & D activity to identify and develop relevant products meeting high quality standards has always remained vital to the company's business, and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Speciality and Bulk chemicals. In the near term, the company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened.

### 11 Employee Benefits :

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) "Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences. As per Actuarial Valuation as on 31.03.2014, the required data is as follows:

#### (i) Continuing Employees :

	Rs. in lacs	
	Apr 13 / Mar 14	
	<u>GRATUITY</u>	<u>LEAVE ENCASHMENT</u>
<b>I</b> Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2014		
1. Current Service Cost	14.31	17.11
2. Interest Cost	14.85	2.62
3. Past Service Cost (vested benefits)	-	-
4. Expected Return on plan assets	-	-
5. Actuarial (Gain) / Losses	(7.99)	(7.92)
6. Total Expenses	21.17	11.81
<b>II</b> Net Assets / (Liability) recognised in the Balance Sheet as at 31st March 2014		
1. Present value of Defined Benefit Obligation as at 31st March 2014	215.93	47.38
2. Fair Value of plan assets as at 31st March 2014	-	-
3. Funded Status [Surplus/(Defecit)]	(215.93)	(47.38)
4. Net asset / (Liability) as at 31st March 2014	(215.93)	(47.38)
<b>III</b> Change in Obligation during the period ended 31st March 2014		
1. Present value of Defined Benefit Obligation at the beginning of the year	229.41	39.20
2. Current Service Cost	14.31	17.11
3. Interest Cost	14.85	2.62
4. Past Service Cost - (Vested Benefits)	-	-
5. Actuarial (Gain) / Losses	(7.99)	(7.92)
6. Benefits Payments	(34.65)	(3.63)
7. Present value of Defined Benefit Obligation at the end of the year	215.93	47.38
<b>IV</b> Change in Assets During the period ended 31st March 2014		
1. Plan assets at the beginning of the year	-	-
2. Expected return on plan assets	-	-
3. Contributions by employers	34.65	3.63
4. Actual benefits paid	(34.65)	(3.63)
5. Actuarial {Gain / (Losses)}	-	-
6. Plan assets at the end of the year	-	-
<b>V</b> Actuarial Assumptions :		
1. Discount Rate	9%	9%
2. Expected rate of return on plan assets	0%	0%
3. Salary Escalation rate	1%	1%
4. Mortality Rate	LIC (1994-96)	LIC (1994-96)
<b>(ii) For Ex-employees</b>	<b>56.39</b>	<b>6.31</b>

**12** The Company has elected to present Profit/(Loss) before Finance Costs, Depreciation and Tax i.e.(EBITDA) as a separate line item on the face of the statement of the profit and loss.

**13** Figures in respect of the previous year have been regrouped wherever necessary.

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T. GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186W

H. T. KAPADIA  
Director

D. K. SUNDARAM  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 28th May, 2014

Mumbai, 28th May, 2014



# CASH FLOW STATEMENT

for the year ended on 31st March, 2014

Particulars	For the year ended on 31-03-2014 Rs. In Lacs		For the year ended on 31-03-2013 Rs. In Lacs	
<b>A Cash flow from Operating Activities</b>				
Net Profit/(Loss) before Tax		1,605.92		3325.38
Adjustments for				
Add:				
Written Down Value of Assets Scrapped	9.71		202.01	
Depreciation	347.39		509.96	
Interest charged	238.30	595.40	250.60	962.57
Less:				
Dividend Income	0.84		0.84	
Interest income	11.16		12.45	
Profit/(Loss) on sale of fixed assets	612.71	624.71	3789.82	3803.11
<b>Operating Profit before working capital changes</b>		<b>1576.61</b>		<b>484.84</b>
Adjustment				
Add:				
Decrease/(Increase) in Inventories	(193.16)		18.51	
Decrease/(Increase) in Trade Receivables	(543.90)		891.25	
Decrease/(Increase) in Other Current Assets	1,067.82		(2048.87)	
Increase/(Decrease) in Trade Payable	(49.68)		(1685.19)	
Increase/(Decrease) in Short Term Provisions	(10.02)		(0.28)	
Increase/(Decrease) in Long Term Provisions	(7.75)		(8.10)	
Increase/(Decrease) in Other Current Liabilities	(568.07)	(304.76)	325.81	(2506.87)
Add: Income Tax Refund Received		0.00		0.00
<b>Cash Generated / (used) in Operating Activities</b>		<b>1271.85</b>		<b>(2022.03)</b>
<b>B Cash Flow from Investing Activities</b>				
Add:				
Sale of Fixed Assets	1,351.22		4380.31	
Interest Received	11.16		12.45	
Dividend Received	0.84	1363.22	0.84	4393.60
Less:				
Purchase of Fixed Assets	213.26		164.99	
Increase / (Decrease) in Capital Work in Progress	31.03		34.01	
Purchase of Investment	25.00	269.29	-	199.00
<b>Cash Generated from / (used in) Investing Activities</b>		<b>1093.93</b>		<b>4194.60</b>

# CASH FLOW STATEMENT

for the year ended on 31st March, 2014

Particulars	For the year ended on 31-03-2014 Rs. In Lacs		For the year ended on 31-03-2013 Rs. In Lacs	
<b>C Cash Flow from Financing Activities</b>				
Add:				
Receipt of New Loan	326.83		16.40	
Security Deposit - Royalty	<u>26.00</u>	352.83	<u>-</u>	16.40
Less:				
Repayment of Intercompany deposits	93.00		100.00	
Interest paid	238.30		250.60	
Repayment of Strategic Investor	2,264.75		1696.00	
Repayment of Bank Loans	<u>113.64</u>	2709.69	<u>101.82</u>	2148.42
Repayment of Loans from Banks				
<b>Cash Generated from / (used in) Financing Activities</b>		<u>(2356.86)</u>		<u>(2132.02)</u>
<b>D Net Cash Increase / (Decrease) in Cash &amp; Bank Balances</b>		8.92		40.55
<b>E Add: Cash &amp; Bank Balances at the beginning of the year</b>				
Cash and Cash Equivalents	106.89		61.61	
Other Bank Balances (Restrictive use)	<u>62.82</u>	169.71	<u>67.55</u>	129.16
<b>F Cash &amp; Bank Balances at the end of the year</b>				
Cash and Cash Equivalents	97.01		106.89	
Other Bank Balances (Restrictive use)	<u>81.62</u>	178.63	<u>62.82</u>	169.71

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T. GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
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H. T. KAPADIA  
Director

D. K. SUNDARAM  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 28th May, 2014

Mumbai, 28th May, 2014



# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information as required under Part IV of schedule VI of the Companies Act, 1956

<b>I REGISTRATION DETAILS:</b>		<b><u>Application of Funds:</u></b>	
Registration No.	00564	Net Fixed Assets	264852
State Code	11	Investments	2662
Balance Sheet Date	31.03.2014	Deferred Tax Assets	265415
		Current Assets	452350
		Accumulated Losses	482445
<b>II CAPITAL RAISED DURING THE YEAR</b>	(Amount in Rs.Thousands)	<b>IV PERFORMANCE OF THE COMPANY</b>	(Amount in Rs.Thousands)
Public Issue	Nil	Turnover(Net off Excise Duty) & Other Income	1017262
Rights Issue	Nil	Add : Non-recurring Items	61265
Bonus Issue	Nil	Total Expenditure	917935
Private Placement	Nil	Profit/(Loss) Before Taxation	160592
		Current Tax Expenses	0
		Profit/(Loss) After Taxation	160592
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	(Amount in Rs.Thousands)	Earning Per Share - Rs.	7.25
Total Liabilities	985279		
Total Assets	985279		
		<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b>	
<b><u>Sources of Funds:</u></b>		Item Code No.(ITC Code)	310310.00
Paid-up Capital	300578	Product Description	Single Super Phosphate
Reserves and surplus	352864	Item Code No.(ITC Code)	280700.01
Secured Loans	204895	Product Description	Sulphuric Acid
Unsecured Loans	234893	Item Code No.(ITC Code)	280620.00
Current Liabilities	374494	Product Description	Chlorosulphonic Acid

## The Last Ten Years - DMCC LTD.

(Rs. in lacs)

Particulars	Apr 13 - March 14	Apr 12 - March 13	Apr 11 - March 12	July 10 - March 11	Apr.09- June10	Oct.07- Mar09	Apr.06- Sep.07	2005-06	2004-05	2003-04
Equity Share Capital	2125.78	2125.78	2125.78	2125.78	2125.78	** 2125.78	* 2084.24	2029.03	2029.03	2029.03
Preference Share Capital	880.00	880.00	880.00	880.00	880.00	*** 880.00	600.00	600.00	600.00	600.00
Reserves & Surplus	3528.64	3528.64	3528.64	3528.64	165.88	165.88	127.42	67.07	67.07	1452.32
Gross Sales Turnover	10939.65	9345.77	8939.17	4743.72	6584.40	17677.35	28125.53	18415.98	16698.20	19210.15
Profit/(Loss) before Depreciation/ Amortisation and Taxation	1340.66	244.27	87.73	7.19	(2387.21)	(2054.27)	(2486.15)	(23.38)	(512.43)	(726.60)
Depreciation	347.39	509.96	486.06	415.73	766.58	1078.04	1205.30	764.51	@441.97	872.23
Amortisation of Lenders' Sacrifice				70.97	32.26	80.95	54.83	28.89	-	-
Profit/(Loss) before Exceptional item & Taxation	993.27	(265.69)	(398.33)	(479.51)	(3186.05)	(3213.26)	(3746.28)	(816.78)	(954.40)	(1598.83)
Exceptional items	© 612.65	© 3591.07					© 139.31			
Profit/(Loss) after Exceptional item & before Taxation	1605.92	3325.38	(398.33)	(479.51)	(3186.05)	(3213.26)	(3606.97)	(816.78)	(954.40)	(1598.83)
(Increase)/Decrease in Deferred Tax Liability									43.97	1025.66
Deferred Tax Asset						505.98	2148.17			
Profit/(Loss) after exceptional item & after considering Deferred Tax Asset / Liability	1605.92	3325.38	(398.33)	(479.51)	(3186.05)	(2707.28)	(1458.80)	(816.78)	(910.43)	(573.17)
Provision for Current Year's Taxation				0.02	0.02	18.04	25.05	20.70	0.50	1.00
Profit after Taxation	1605.92	3325.38	(398.33)	(479.53)	(3186.07)	(2725.32)	(1483.85)	(837.48)	(910.93)	(574.17)
Surplus brought forward From Previous Year	(6430.37)	(9755.75)	(9357.42)	(8877.89)	(5691.82)	(2966.50)	(1482.65)	(645.17)	24.06	112.40
Transferred from General Reserve	-	-	-	-	-	-	-	-	241.70	500.00
Available for appropriation	-	-	-	-	-	-	-	-	-	38.23
Equity Dividend	-	-	-	-	-	-	-	-	-	-
Employees' Remuneration and Benefits	654.55	554.30	563.11	448.42	1713.64	1744.88	2312.84	1320.96	1369.77	1550.19
Equity Dividend %	-	-	-	-	-	-	-	-	-	-

- \* Equity Share Capital increased by Rs.55.21 lacs on account of 5,52,141 Equity shares of Rs. 10/- each, issued to various secured lenders.
- \*\* Equity Share Capital increased by Rs.41.54 lacs on account of 4,15,369 Equity shares of Rs. 10/- each, issued to a secured lender.
- \*\*\* Preference Share Capital increased by Rs.280.00 lacs on account of 2,80,000, 2.50% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100/- each, issued to a secured lender.
- + Increase of Rs. 676.34 lacs on account of allotment of 67,63,437 Equity Shares of Rs. 10/- each on rights issue.
- @ Depreciation for the year 2004-2005 of Rs. 441.97 lacs is net of Depreciation Written Back Rs. 375.72 lacs.
- © waiver of dues by banks/financial institutions by one time settlement
- ⊙ Net Profit on Sale of Assets

# THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/21, Dr. Dadabhoy Naorji Road, Fort, Mumbai - 400 001)

CIN : L24110MH1919PLC000564 Website :www.dmcc.com

e-mail : dgokhale@dmcc.com

## ATTENDANCE SLIP

Name of the Shareholder:		
Folio No. For Physical Holding	DP ID / Client ID For Demat holding	No. of Shares.

I hereby record my presence at the 93<sup>rd</sup> Annual General Meeting held on Thursday, the 18<sup>th</sup> September, 2014 at 11.00 am at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, as Shareholder / Proxy.

\_\_\_\_\_  
Name of Proxy(Block Letters).

\_\_\_\_\_  
Signature of the Shareholders/ Proxy.

### Notes:

1. Shareholder / Proxy holder wishing to attend the meeting must bring duly signed attendance slip to the meeting and hand over the same at the entrance.
2. Shareholder / Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.
3. Notes for appointment of Proxy are printed overleaf.

# THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/21, Dr. Dadabhoy Naorji Road, Fort, Mumbai - 400 001)

CIN : L24110MH1919PLC000564 Website :www.dmcc.com

e-mail : dgokhale@dmcc.com

## PROXY FORM

Name of Shareholder(s)	
Registered Address & Email ID.	
Folio No. / DP ID / Client ID.	

I / We, being the Member(s) holding \_\_\_\_\_ equity shares of the above named Company, hereby appoint the following as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 93<sup>rd</sup> Annual General Meeting of the Company, to be held on thursday, the 18th September, 2014 at 11.00 am at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Name: \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him

2. Name: \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him

3. Name: \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

**Notes for appointment of Proxy:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than forty eight (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 93<sup>rd</sup> Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.
5. **A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total Share Capital of the Company. A Member holding more than ten per cent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.**



Item No.	Description of Resolution	Optional	
		For	Against
1.	Adoption of Directors' Report, Audited Statements of Account for the Financial Year ended 31st March, 2014.		
2.	Appointment of Director in place of Shri Laxmikumar Narottam Goculdas ( holding DIN 00459347), who retires by rotation and is eligible for re-appointment.		
3.	Appointment of Statutory Auditors.		
4.	Payment of Remuneration to the Cost Auditor for the Financial Year 2014-15.		
5.	Re-Appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer" and "Manager" of the Company		
6.	Appointment of Shri Haridas Tricumdas Kapadia as an Independent Director		
7.	Appointment of Shri Madhu Thakorlal Ankleshwaria as an Independent Director		
8.	Appointment of Shri Arvind Wasudeo Ketkar as an Independent Director		
9.	Appointment of Shri Shantilal Tejshi Shah as an Independent Director		
10.	Authority to obtain loans/borrowings under Section 180 (1) (c) of the Companies Act, 2013		
11.	Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company		
12.	Alteration of the Article No. 175 of the Articles of Association of the Company.		

Signed this \_\_\_\_\_ day of August / September, 2014.

Signature of Shareholders. \_\_\_\_\_

Signature of Proxy holders(s) \_\_\_\_\_

## COURIER / REGISTERED POST / SPEED POST

*If not delivered, please return to:*

**THE DHARAMSI MORARJI CHEMICAL CO. LTD.**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

CIN : L24110MH1919PLC000564

Website : [www.dmcc.com](http://www.dmcc.com)

e-mail : [dgokhale@dmcc.com](mailto:dgokhale@dmcc.com)



PHONES : 2204 8881-2-3  
FAX : 2281 3657 / 2285 2232

# THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564

## FORM B

1	Name of the Company	The Dharamsi Morarji Chemical Company Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit qualification	Qualified
4	Frequency of qualification	Repetitive w. e. f 31.3.2007 onwards.
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Refer page number 33 - V-(c) Deferred Tax Assets (Net) of the Notes to Balance Sheet of the Annual Report for the year 2013-14</p> <p>Refer page number 12 &amp; 13 – Directors Report of the Annual Report for the year 2013-14</p> <p>As under:-</p> <p>In respect of the “ Auditors’ observation” (in quotes):</p> <p><i>“The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 lacs till 31st March, 2009 considering unabsorbed loss up to 31st March, 2008 and unabsorbed depreciation up to 31st March, 2009. For the subsequent financial periods, further net deferred tax asset has not been recognized in view of management’s perceptions and reason detailed in Note No.V(c). We are not in a position to opine on the net deferred tax asset recognized till date as regards its ultimate realization since the virtual certainty of the available sufficient future taxable income, as required by Accounting Standard 22 i.e. ‘Accounting for taxes on income’ notified pursuant to Companies (Accounting Standards) Rules, 2006, could not be substantiated.</i></p> <p><i>Had the Company not recognized the said net deferred tax asset aggregating to Rs2654.15 Lacs, the Accumulated losses as at the end of the year would have been higher by Rs.2654.15 Lacs”.</i></p> <p>The managements perception and reasons are detailed in Note no. V-(c), and the same is reproduced here below:</p> <p>Deferred Tax Assets (Net)</p> <p>The Company’s export business over the last three years has been growing at an impressive rate of 50%. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the company. The focused R &amp; D activity to identify and develop relevant products meeting high quality standards has always remained vital to the company’s business, and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Speciality and Bulk chemicals. In the near term, the company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened. Consequently, there is virtual certainty of realization of “Deferred Tax asset” mainly resulting from unabsorbed depreciation and carried forward losses. Accordingly, the recognized “Deferred Tax</p>



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

E-mail ID: esale@dmcc.com / fertsales@dmcc.com / purchase@dmcc.com / corporate@dmcc.com

Website : www.dmcc.com



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# THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564

		<p>Asset" of Rs. 2654.15 Lacs as at 31.03.2009, without any addition, is being carried forward.</p> <p>The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2014 and 31.03.2013, recognised by the Company in the books of account, is as follows :</p> <table border="1"><thead><tr><th>Particulars</th><th>As at 31-03-2014 Rs. In Lacs</th><th>As at 31-03-2013 Rs. In Lacs</th></tr></thead><tbody><tr><td colspan="3">Deferred Tax Liabilities :</td></tr><tr><td>Difference between book and tax depreciation</td><td>1611.05</td><td>1611.05</td></tr><tr><td>Others</td><td>221.90</td><td>221.90</td></tr><tr><td>Total</td><td>1832.95</td><td>1832.95</td></tr><tr><td colspan="3">Deferred Tax Assets :</td></tr><tr><td>Unabsorbed depreciation / Business loss</td><td>3610.68</td><td>3610.68</td></tr><tr><td>Others</td><td>876.42</td><td>876.42</td></tr><tr><td>Total</td><td>4487.10</td><td>4487.10</td></tr><tr><td>Net Deferred Tax Liabilities / (Deferred Tax Assets) :</td><td>(2654.15)</td><td>(2654.15)</td></tr></tbody></table>	Particulars	As at 31-03-2014 Rs. In Lacs	As at 31-03-2013 Rs. In Lacs	Deferred Tax Liabilities :			Difference between book and tax depreciation	1611.05	1611.05	Others	221.90	221.90	Total	1832.95	1832.95	Deferred Tax Assets :			Unabsorbed depreciation / Business loss	3610.68	3610.68	Others	876.42	876.42	Total	4487.10	4487.10	Net Deferred Tax Liabilities / (Deferred Tax Assets) :	(2654.15)	(2654.15)
Particulars	As at 31-03-2014 Rs. In Lacs	As at 31-03-2013 Rs. In Lacs																														
Deferred Tax Liabilities :																																
Difference between book and tax depreciation	1611.05	1611.05																														
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Deferred Tax Assets :																																
Unabsorbed depreciation / Business loss	3610.68	3610.68																														
Others	876.42	876.42																														
Total	4487.10	4487.10																														
Net Deferred Tax Liabilities / (Deferred Tax Assets) :	(2654.15)	(2654.15)																														
6	Additional comments from the board/audit committee chair.	NIL																														
7	To be signed by:- CEO →  CFO →  Auditor of the Company →  Audit Committee Chairman →	<p><i>Bhambhani</i></p> <p><i>DK...</i></p> <p><i>Rajesh m. Agni</i></p> <p><i>H. Kapadia</i></p> 																														

Place : Mumbai

Date : 18/09/2014