



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, 2015												
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 37 – V(c) Deferred Tax Assets (Net) of the Notes to Balance Sheet of the Annual Report for the year 2014-15.</p> <p>Refer page number 9 – Directors Report of the Annual Report for the year 2014-15</p> <p>As under :</p> <p>In respect of the "Auditors' observation" (in quotes) :</p> <p>"The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 lacs till 31st March, 2009, considering unabsorbed loss upto 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 realisability of the said net deferred Tax Asset. Consequently, the Accumulated losses as at the end of the year would have been higher by Rs.2654.15 Lacs".</p> <p>The managements perception and reasons are detailed in Note No.V(c) to Balance sheet of the Annual Report for the year 2014-15, and the same is reproduced here below:</p> <p>Deferred Tax Assets (Net)</p> <p>The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2015 and 31.03.2014, recognized by the Company in the books of account, is as follows :</p> <table><thead><tr><th>Particulars</th><th>As at 31-03-2015 Rs. In Lacs</th><th>As at 31-03-2014 Rs. In Lacs</th></tr></thead><tbody><tr><td>Deferred Tax Liabilities : 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></tbody></table>	Particulars	As at 31-03-2015 Rs. In Lacs	As at 31-03-2014 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
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Deferred Tax Liabilities : Difference between book and tax depreciation	1611.05	1611.05												
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Total	1832.95	1832.95												

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

		<p>Deferred Tax Assets :</p> <table> <tr> <td>Unabsorbed depreciation/Business loss</td><td><b>3610.68</b></td><td>3610.68</td></tr> <tr> <td>Others</td><td><b>876.42</b></td><td>876.42</td></tr> <tr> <td>Total</td><td><b>4487.10</b></td><td>4487.10</td></tr> <tr> <td>Net Deferred Tax Liabilities / (Deferred Tax Assets) :</td><td><b>(2654.15)</b></td><td>(2654.15)</td></tr> </table> <p>The Company's export business over the last three years has been steadily growing at an impressive rate. 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 Specialty 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.</p>	Unabsorbed depreciation/Business loss	<b>3610.68</b>	3610.68	Others	<b>876.42</b>	876.42	Total	<b>4487.10</b>	4487.10	Net Deferred Tax Liabilities / (Deferred Tax Assets) :	<b>(2654.15)</b>	(2654.15)
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Net Deferred Tax Liabilities / (Deferred Tax Assets) :	<b>(2654.15)</b>	(2654.15)												
6	Additional comments from the board/audit committee chairman	Nil												
7	<p>To be signed by:-</p> <p>CEO</p> <p>CFO</p> <p>Auditor of the Company</p> <p>Audit Committee Chairman</p>	<p><b>For The Dharamsi Morarji Chemical Co. Ltd. For The Dharamsi Morarji Chemical Co. Ltd.</b></p> <p><i>Bimal L. Goudale</i> Bimal L. Goudale Chief Executive Officer</p> <p><i>D. K. Sundaram</i> D. K. Sundaram Chief Finance Officer</p> <p><i>[Signature]</i></p> <p><i>[Stamp: DHARAMSI MORARJI &amp; CO. CHARTERED ACCOUNTANTS, MUMBAI-11.]</i></p> <p><i>[Signature]</i></p>												

Place: Mumbai

Date : 28/08/2015



**THE DHARAMSI MORARJI  
CHEMICAL COMPANY LTD.**

**94th  
Annual Report  
2014 - 2015**



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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

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 Fourth Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (CIN : L24110MH1919PLC000564) will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Wednesday, the 23<sup>rd</sup> day of September, 2015 at 11:00 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Mitika Laxmikumar Goculdas (holding DIN 02879174), who retires from office by rotation and being eligible, offers herself for re-appointment.

3. **Ratification of appointment of Statutory Auditors and fixing their remuneration**

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, the appointment of Messrs. K. S. Aiyar & Company, Chartered Accountants, holding ICAI Firm Registration Number 100186W, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Ninety-Sixth Annual General Meeting of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified."

4. **Ratification of Remuneration to 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 the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Rules made thereunder, as amended from time to time, the remuneration payable to CMA Shri S. S. Dongare holding ICWA Registration Number 12521, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016, amounting to Rs. 66,000 (Rupees Sixty Six Thousand Only) as also the payment of service tax as applicable and re-imbursement of actual out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

### NOTES :

- a. An Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013 in respect of item no. 3 and 4 mentioned above is annexed hereto :
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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 i.e. by 11.00 a.m. on Monday, September 21, 2015. 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 (50) 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.

- c. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- d. The Register of Members and the Transfer Books of the Company shall remain closed from Thursday, the 17<sup>th</sup> September, 2015 to Wednesday, 23<sup>rd</sup> September, 2015 (both days inclusive).
- e. 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.
- f. Members are requested to notify changes of address, if any, to the Company.
- g. 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.
- h. 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.
- i. To support the "Green Initiative", the Members who have not registered their e-mail addresses are requested to register the same with Registrars/ Depositories.
- j. 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.

The Instructions for shareholders voting electronically are as under :-

- (i) The voting period begins on Saturday, 19<sup>th</sup> September, 2015 (9.30 am IST) and ends on Tuesday, 22<sup>nd</sup> September, 2015 (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 16<sup>th</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders



- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Dmat Form and Physical Form	
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 sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN field.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or dividend bank details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 field. 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 that 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xi) Click on the EVSN for (The Dharamsi Morarji Chemical Company Limited) on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians :

Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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 a Compliance User should be created 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.

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.

- (xix) In case you have any queries or 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 :

- The e-voting period commences on Saturday, 19<sup>th</sup> September, 2015 (9.30 am IST) and ends on Tuesday, 22<sup>nd</sup> September, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 16<sup>th</sup> September, 2015, 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/she shall not be allowed to change it subsequently.
- 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 Wednesday, 16<sup>th</sup> September, 2015.

## NINETY FOURTH ANNUAL REPORT 2014-15

- (iii) Mr. Jatin Popat, Proprietor, JSP Associates, Practicing Company Secretary (Membership No. FCS No. 4047 C.P.NO.6880), 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 witness 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 Tuesday, 22<sup>nd</sup> September, 2015 (5.00 p.m. IST).
- (vi) Members have the option to request for physical copy of the Ballot Form by sending on 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 Tuesday, 22<sup>nd</sup> September, 2015 (5.00 p.m. IST). Ballot Forms received after this date will be treated as invalid.

**A Member can opt for 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 [www.cdslindia.com](http://www.cdslindia.com) within two days of the passing of the resolutions at the Ninety-Fourth AGM of the Company on 23<sup>rd</sup> September, 2015 and communicated to BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors,

D. T. Gokhale  
Company Secretary

**Registered Office:**

Prospect Chambers,  
317/321, 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)

Date : 12<sup>th</sup> August, 2015.



## 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 and 4 of the accompanying Notice dated 12<sup>th</sup> August, 2015.

### Item No.3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Messrs. K. S. Aiyar & Company, Chartered Accountants, holding ICAI Firm Registration Number 100186W, were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 18<sup>th</sup> September, 2014.

As per provisions of Section 139(1) of the Act/terms of appointment, their appointment for the above tenure is subject to ratification by Members at every AGM.

Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 3 of the accompanying Notice.

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

None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are concerned or interested (financially or otherwise) in the Resolution at Item No. 3 of the accompanying Notice.

### Item No. 4

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of CMA Shri. S. S. Dongare holding ICWA Registration No. 12521, as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2015-16, at a remuneration of Rs. 66,000/- (Rupees Sixty Six thousands) plus Service Tax and actual out-of-pocket expenses.

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

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are concerned or interested (financially or otherwise) in the Resolution at Item No. 4 of the accompanying Notice.

### 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	Ms Mitika Laxmikumar Goculdas
Date of Birth	11.08.1972
Date of Appointment	04.11.2011
Qualifications/Expertise in specific functional areas	MBA (Finance) from Pennsylvania State University, USA.
Directorships held in other companies (excluding foreign companies)	Borax Morarji Limited Gocul Gas Pvt. Ltd. Kosan Industries Pvt. Ltd. L.P. Gas Equipment 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 Co. Pvt. Ltd.
Committee position held in other committees	Nil
Shareholding	Nil
Relationship between Directors interse	Yes



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

The Directors are pleased to present their Ninety Fourth Annual Report together with the accounts of the Company for the financial year ended 31<sup>st</sup> March, 2015.

**FINANCIAL RESULTS**

	Financial Year ended 31 <sup>st</sup> March, 2015 Rs. in lacs	Financial Year ended 31 <sup>st</sup> March, 2014 Rs. in lacs
Sales Turnover (Net of Excise Duty)	11948.32	10130.60
Gross Profit / (Loss)	1784.73	1340.66
Less : Depreciation	243.85	347.39
Less : Non recurring items	142.60	(612.65)
Profit / (Loss) before Taxation	1398.28	1605.92
Less : Provision for Taxation	-	-
Profit (Loss) after Taxation	1398.28	1605.92
Add: Balance brought forward	(1295.81)	(2901.73)
Add : Depreciation in respect of Earlier Year as per the provision contain at 7 (b) of Schedule II to the Companies Act, 2013	(40.64)	-
Balance carried forward	61.83	(1295.81)

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

Commodity Chemicals	3987.98	3003.47
Specialty Chemicals	7446.07	6317.34
Others	514.27	809.79
Total	11948.32	10130.60

The Corporate Debt Restructuring undertaken by the Company a few years ago is reaching its logical conclusion and the accumulated losses of the Company have reduced over the last 3 years. However in view of the balance 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, 2015.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****(a) Overview of operations****Chemicals**

The turnover of Commodity Chemicals during the current Financial Year ended 31<sup>st</sup> March, 2015 was higher at Rs. 39.88 crores as compared to the turnover of Rs. 30.03 crores during the previous Financial Year. The turnover of Specialty Chemicals during the current Financial Year ended 31<sup>st</sup> March, 2015 was Rs.74.46 crores as compared to Rs. 63.17 crores in the previous year. The Export turnover of the Company during the current Financial Year ended 31<sup>st</sup> March, 2015 was Rs. 51.76 crores as compared to Rs. 46.66 crores for the previous Financial Year.

**Fertilisers**

The Company's fertilizer business viz. Single Superphosphate (SSP) could not be continued on its own due to various economic considerations, and hence there is no turnover of SSP fertilizers during the current financial year ended 31<sup>st</sup> March, 2015.

**(b) Prospects in the Industry :****Chemicals**

Your Company has planned to face competition as also the continuing scenario of short life-cycle of various Specialty and Commodity Chemicals, by improving the manufacturing efficiency of Commodity Chemicals and developing new Specialty and performance Chemicals. The Management of your Company is concentrating on continuing basis the in-house Research and Development and is also focusing on improvement in production process for its cost effectiveness and initiatives for development of new products. Increasing emphasis is being given on cost reduction, efficient operations and improvement in supply chain management as well as development of new commodity chemicals as well. The Management of your Company has also decided to lay emphasis on improving technical expertise in Sulphur and Ethanol chemistry. Efforts are being made to have long term alliance with key customers to develop tailor made processes/products to meet their specifications and expectations.

Your Company has already set up flexible manufacturing facilities termed as " Multi-purpose plant " which can be utilised for manufacture of various Specialty Chemicals which are the future growth areas. Your management is therefore contemplating further investment in this segment.

The Company has also set up a Solar Plant in Roha with an initial capacity of 500 KW which will gradually be increased over a period of time. The solar energy is expected to partially replace expensive grid power with cheaper green energy and reduce marginally the Company's energy cost.



## **Fertilisers**

The SSP Fertiliser Industry in general 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. Your Company however continues on moderate scale the brand licensing arrangement of Company 's "SHIP- Brand" of SSP Fertiliser.

## **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 security 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.

## **ADEQUACY OF INTERNAL CONTROLS**

Your Company has well 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 an independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and the transactions are authorised, 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.

## **BOARD EVALUATION**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 (the Act) and the corporate governance requirements as prescribed by Securities and Exchange Board of India ( " SEBI " ) under Clause 49 of the Listing Agreement.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was also evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors were also discussed.

## **NOMINATION AND REMUNERATION POLICY**

The Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees has evolved and has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement with a view to pay equitable and commensurate remuneration to the Directors, Key Managerial Personnel and other Employees of the Company.

The Company had been passing through adverse financial condition which had an inevitable impact on the existing compensation and pay structure rather than the qualification, experience and the industry standards.

The Chief Executive Officer ( CEO ) of the Company is being paid in accordance with the provisions of the Companies Act, 2013 prescribing a ceiling on the maximum permissible remuneration in respect of Companies having inadequate profits.

Presently the maximum permissible remunerations limit is Rs. 42 lacs per annum as applicable to CEO of Your Company. This amount being the bench mark, the remunerations of the Other Senior Executives and the Management Staff are line with the same.

In view of the inadequacy of profits, the Directors of the Company are not being paid any remuneration/commission etc. except the normal sitting fees.

The Committee will therefore take in to consideration the various applicable factors such as qualification, experience, industry standards etc. and evolve an appropriate policy in course of time once the Company starts making adequate profits.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

During the financial year 2014-15, the Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of any body corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company .

## **SEXUAL HARASSMENT**

During the year under review, there was not a single incident pursuant to the Sexual Harassment of Women at Workplace ( Prevention, Prohibition and Redressal ), Act, 2013.

## NINETY FOURTH ANNUAL REPORT 2014-15

### MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year five Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

### DIRECTORS/KEY MANAGEMENT PERSONNEL

Ms. Mitika Laxmikumar Goculdas (holding DIN 02879174), Director, is retiring by rotation in accordance with the requirements of the Act and under the Article 135 of the Articles of Association of the Company, and being eligible, offer herself for re-appointment.

The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. Independent directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with 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.

### WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company ( [www.dmcc.com](http://www.dmcc.com) ).

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Audit Committee and the Board of Directors at their meetings have reviewed and approved all the related party transactions undertaken by the Company during the Financial Year.

The related party transactions entered into by the Company are disclosed in Note no. XIII 7(E) of the Notes to Accounts.

Thus all Related Party Transactions are placed/routed through the Audit Committee and the Board of Directors.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company .

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

### RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy which reflects the over all risk management philosophy, the Company's over all approach to risk management, risk assessment, risk mitigation mechanism and the roll and responsibilities for risk management. Risk management forms an integral part of the business planning and review cycle.

The Company's Risk Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safe guarding the integrity of the Company's financial reporting and its related disclosures.

The identification and analysis of and putting in place the process for mitigation of these risks is an ongoing process. The Company has also laid down procedure to inform the Audit Committee and the Board about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks by means of a properly defined frame work.

The monthly review meetings of all the functional/departmental heads *interalia* discuss the relative risk management issues.

### ENVIRONMENT HEALTH AND SAFETY (EHS)

In the Company, it has been our prime endeavor to achieve the environment health and safety. We thrive to achieve the objective by ensuring accident free work place. We have various EHS management processes and methodologies being deployed and implemented under the EHS system to ensure that our employees become more safety conscious and strive to improve the organisation's approach towards loss prevention.

The Company has a system of in house EHS training for employees and workmen at the factory as also the practice of sending the employees/workmen to various external EHS programme.

All these EHS endeavours help the Company in its efforts in preventing loss of life and property damage.

### 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 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). It is proposed to ratify the appointment of Messrs. K.S.Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W as Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of the 95<sup>th</sup> 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.3 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 31<sup>st</sup> March, 2009, considering unabsorbed loss upto 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 realisability of the said net deferred Tax Asset. Consequently, 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 break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2015 and 31.03.2014, recognized by the Company in the books of account, is as follows :

Particulars	As at 31-03-2015 Rs. In Lacs	As at 31-03-2014 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)

The Company's export business over the last three years has been steadily growing at an impressive rate. 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 Specialty 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.

#### COST AUDITOR AND COST AUDIT REPORT

The Board of Directors, on the recommendation of Audit Committee has appointed Shri S.S. Dongare, Cost Accountant, as Cost Auditor of your Company to audit the cost accounts of the Company for Financial Year 2015-16 at remuneration of Rs. 66,000/- ( Rupees Sixty Six Thousand Only) as also the payment of service tax as applicable and re-imbursement of actual out-of-pocket expenses incurred in connection with the aforesaid audit. As required under the Companies act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting. In accordance with the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies ( Cost Records and Audit) Rules, 2014 as amended from time to time, your Company carries out an audit of cost records ( Sulphuric Acid) 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, 2014, by Shri S.S. Dongare, Cost Accountant, which was due for filing with the Ministry of Corporate Affairs by 30<sup>th</sup> September, 2014, was duly filed on 29<sup>th</sup> September, 2014.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)( m) of the Companies Act, 2013 read with Rule, 8 of the Companies ( Accounts) Rules, 2014, is annexed herewith as " **Annexure I**".

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

A Corporate Social Responsibility Committee of the Directors was constituted, consisting of Shri L. N. Goculdas as Chairman, Shri H. T. Kapadia, Shri M. T. Ankleshwaria and Shri A. W. Ketkar as members of the Committee.

The Committee met once during the year to finalise the Corporate Social Responsibility Policy and Accordingly CSR Policy has been framed and the same is annexed as '**Annexure-II**' and forms a part of this Report to the Directors.

## NINETY FOURTH ANNUAL REPORT 2014-15

Due to the average net profit of last three years being negative, your Company is not required to spend any amount towards Corporate Social Responsibility activities during the year under review.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Shri A. D. Gupte, FCS No.300, C.P.No. 1210 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure – III** and forms integral part of this Report.

There is no qualification in the report of Secretarial Auditor, for the year under review.

### PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 197 and rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been furnished as there are no employees falling within the purview of the provisions of said section and the said rule during the period under review.'

### PUBLIC DEPOSITS

During the year 2014-15, your Company has not accepted/renewed any fixed deposit. Out of the unclaimed deposits of Rs.1,76,000/- as on 31<sup>st</sup> March, 2014, the Company has transferred/paid Rs.1,16,000/- (Rupees One Lac Sixteen Thousand only) to Investor Education and Protection Fund as required. Therefore only 5 deposits aggregating to Rs.60,000/- have remained unclaimed as on 31 March, 2015.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (ii) 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 affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis;
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years and the Board of Directors lay 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. A separate report on Corporate Governance is annexed as a part of the Annual Report, along with the Auditors' Certificate on its compliance.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure- IV and forms an integral part of this Report.

### ACKNOWLEDGEMENTS

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 will be in a position to overcome this difficult phase.

For and on behalf of the Board  
LAXMIKUMAR NAROTTAM GOCULDAS  
Chairman

### Register Office

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

Date : 12th August, 2015





## ANNEXURE I TO THE DIRECTORS' REPORT

### DISCLOSURES

#### A. CONSERVATION OF ENERGY

#### FORM A

##### POWER AND FUEL CONSUMPTION

		April, 2014 to March, 2015	April, 2013 to March, 2014
1	Electricity Purchased		
	Unit (Lac KWH)	57.53	65.86
	Total Amount (Rs. Lacs)	437.32	489.67
	Rate/Unit (Rs./KWH)	7.60	7.43
2	Furnace Oil		
	Quantity (K. Litre)	29.432	150.313
	Total Amount (Rs. Lacs)	12.83	69.77
	Average Rate (Rs/KL)	43592	46420
	CONSUMPTION PER TONNE OF MAJOR PRODUCTS		
	Electricity (Unit-KWH)		
1	Single Superphosphate	-	23
2	Sulphuric Acid 100%	51	53

#### 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 optimisation 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 trouble shooting 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 :

	April, 2014 to March, 2015	April, 2013 to March, 2014
(i) Capital	72.30	0.00
(ii) Recurring	29.08	9.98
(iii) Total	101.38	9.98
(iv) Total R&D expenditure as a percentage of gross turnover	0.85%	0.09%

##### 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.

## NINETY FOURTH ANNUAL REPORT 2014-15

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Rs. in lacs

	April, 2014 to March, 2015	April, 2013 to March, 2014
<b>EARNINGS IN FOREIGN EXCHANGE :</b>		
Export of goods calculated on FOB basis	4933.65	4390.10
Total Foreign Exchange earned	<b>4933.65</b>	<b>4390.10</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	78.53	124.08
ON ACCOUNT OF FOREIGN TOURS, SUBSCRIPTION, ETC.		
<b>Total Foreign Exchange outgo</b>	<b>78.53</b>	<b>124.08</b>

For and on behalf of the Board

**LAXMIKUMAR NAROTTAM GOCULDAS**  
Chairman

#### Registered Office:

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

Date: 12<sup>th</sup> August , 2015.

## ANNEXURE II TO THE DIRECTORS' REPORT

The composition and the functions of the Company's Corporate Social Responsibility (CSR) Committee as contemplated as per Section 135 of the Companies Act, 2013 is as under :

The Company has formed CSR Committee comprising of the following Directors:

Shri Laxmikumar Narottam Goculdas, Chairman

Shri Haridas Tricumdas Kapadia, Member

Shri Madhu Thakorlal Ankleshwaria, Member

Shri Arvind Wasudeo Ketkar, Member

The Committee recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate responsibilities can enhance overall performance. In structuring its approach to the various aspects of Corporate Social Responsibility, the Company takes into account guidelines and statements issued by stakeholder representatives and other regulatory bodies.

The functions of the said CSR Committee are as under :

- 1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- 2) Recommend the amount of expenditure to be incurred on the activities referred to in point no (1) above; and
- 3) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board of the Company shall approve the CSR and disclose the contents of such policy in its report and place the CSR Policy in the Company's website, if any. The Board shall also ensure that the activities included in CSR policy are undertaken by the Company.

The Board shall ensure that Company spends, in every financial year on CSR, 2% of the average net profits of the Company during the three immediately preceding financial years.



## ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
The Dharamsi Morarji Chemical Co. Ltd.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Dharamsi Morarji Chemical Co. Ltd. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of The Dharamsi Morarji Chemical Co. Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have relied on the representations made by the Company and its officers on various matters including systems and mechanism formed by the Company for compliance under all applicable Acts and Regulations to the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Dharamsi Morarji Chemical Company Ltd. ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of :

- (i) The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made thereunder, as applicable;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) VAT Laws
  - (j) Excise Laws
  - (k) Service Tax Laws
  - (l) Income Tax Laws
  - (m) Factory Laws
  - (n) Gratuity Act, 1975
  - (o) Provision for Bonus Act

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## NINETY FOURTH ANNUAL REPORT 2014-15

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place : Mumbai  
Date : 22<sup>nd</sup> July, 2015

A.D. GUPTE  
FCS No. : 300  
C.P. No. : 1210

### Annexure A

To,  
The Members,  
The Dharamsi Morarji Chemical Co. Ltd.,  
Prospect Chambers,  
317/21 Dr. D.N. Road,  
Fort, Mumbai 400 001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai  
Date : 22<sup>nd</sup> July, 2015

A.D. GUPTE  
FCS No. : 300  
C.P. No. : 1210



## ANNEXURE IV TO THE DIRECTORS' REPORT

FORM NO. MGT-9

Extract of annual return as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS :

- |   |   |
|---|---|
| (i) CIN   | : L24110MH1919PLC000564   |
| (ii) Registration date  | : 25/09/1919  |
| (iii) Name of the company   | : The Dharamsi Morarji Chemical Co. Ltd.  |
| (iv) Category/sub-category of the company                                       | : Company having share capital  |
| (v) Address of the registered office and contact details                        | : Prospect Chambers, 317/321 Dr. D.N. Road,<br>Fort, Mumbai 400001 Maharashtra<br>Tel. 022 22048881-2-3; Fax : 022 22813657<br>www.dmcc.com<br>dgokhale@dmcc.com  |
| (vi) Whether listed company   | : Yes   |
| (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : Link Intime India Pvt. Ltd.<br>C-13, Pannalal Silk Mills Compound, LBS Marg,<br>Bhandup (W), Mumbai 400 078 Maharashtra<br>Tel. 022-2596 3838, 022-2594 6970; Fax: 022-2594 6969<br>e-mail: rnt.helpdesk@linkintime.co.in |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 per cent or more of the total turnover of the company shall be stated :

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Benzene Sulfonyl Chloride	29041090	30.85
2.	Sulphuric Acid (100%)	28070010	23.51

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/associate	% shares held	Applicable Section
1.	Nil	Nil	Nil	Nil	Nil
2.	Nil	Nil	Nil	Nil	Nil

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise share holding

Category of shareholders	No. of shares held at the Beginning of the year 1/04/2014				No of Shares held at the End of the year 31/03/2015				% Change During The year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/ HUF	365531	73350	438881	2.06	365531	73350	438881	2.06	0.00
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	2033749	3600	2037349	9.58	2096801	3600	2100401	9.88	0.30
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other									
Sub-total(A)(1)	2399280	76950	2476230	11.64	2462332	76950	2539282	11.94	0.30
(2) Foreign									
(a) NRIs - Individuals	7539996	299381	7839377	36.88	7539996	299381	7839377	36.88	0.00
(b) Other - Individuals									
(c) Bodies Corp.									



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Category of shareholders	No. of shares held at the Beginning of the year 1/04/2014				No of Shares held at the End of the year 31/03/2015				% Change During The year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(d) Banks/Fl									
(e) Any Other									
Sub-total(A)(2)	7539996	299381	7839377	36.88	7539996	299381	7839377	36.88	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	9939276	376331	10315607	48.52	10002328	376331	10378659	48.82	0.30
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds/UTI	-	4304	4304	0.02	-	4304	4304	0.02	0.00
(b) Banks/Fl	548279	303546	851825	4.01	395377	303546	698923	3.29	(0.72)
(c) Central Govt.									
(d) State Govt(s)									
(e) Venture Capital Funds	-	200	200	0.00	-	200	200	0.00	0.00
(f) Insurance Companies									
(g) Flls									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total(B)(1)	548279	308050	856329	4.03	395377	308050	703427	3.31	(0.72)
2. Non-Institutions									
(a) Bodies Corp.	1377954	23936	1401890	6.59	1050657	22172	1072829	5.05	(1.54)
i. Indian									
ii. Overseas									
(b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs.1 Lakh	3480564	843625	4324189	20.34	3832868	822614	4655482	21.90	1.56
ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	3634735	99509	3734244	17.57	3817527	99509	3917036	18.43	0.86
(c) Others (specify)									
i. Clearing Members	90779	-	90779	0.43	82051	-	82051	0.39	(0.04)
ii. Non Resident Indians (NRI)	288133	81954	370087	1.74	200770	81764	282534	1.33	(0.41)
iii. Non Resident Indians (NRN)	34038	24914	58952	0.28	35110	24914	60024	0.28	0.00
iv. Trusts	105661	-	105661	0.50	105696	-	105696	0.50	0.00
v. Others Foreign Nationals	83	-	83	0.00	83	-	83	0.00	0.00
Sub-total (B)(2)	9011947	1073938	10085885	47.45	9124762	1050973	10175735	47.87	0.42
Total Public Shareholding (B) = (B)(1) + (B)(2)	9560226	1381988	10942214	51.48	9520139	1359023	10879162	51.18	(0.30)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	0.00	Nil	Nil	Nil	0.00	0.00
Grand Total (A+B+C)	19499502	1758319	21257821	100%	19522467	1735354	21257821	100%	0.00



(ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1/04/2014			Shareholding at the end of the year 31/03/2015			% change in shareholding during the year shares
		No. of shares	% of total shares of the company	% of shares pledged/encumbered total	No. of shares	% of total shares of the company	% of shares pledged/encumbered total shares	
1.	Bimal Lalitsingh Goculdas	3673	0.02	Nil	3673	0.02	Nil	0.00
2.	Bombay Foods Pvt. Ltd.	600	0.00	Nil	600	0.00	Nil	0.00
3.	Sonali B. Goculdas	33808	0.16	Nil	33808	0.16	Nil	0.00
4.	Harisingh Narottamdas Goculdas	2828	0.01	Nil	2828	0.01	Nil	0.00
5.	Kosan Industries Pvt. Ltd.	3000	0.01	Nil	3000	0.01	Nil	0.00
6.	Laxmikumar Narottam Goculdas	85671	0.40	Nil	85671	0.40	Nil	0.00
7.	Lalit N. Goculdas	2121	0.01	Nil	2121	0.01	Nil	0.00
8.	Laxmikumar Narottam Goculdas	98110	0.45	Nil	98110	0.45	Nil	0.00
9.	Mulraj Dwarkadas Goculdas	17149	0.08	Nil	17149	0.08	Nil	0.00
10.	Mulraj Dwarkadas Goculdas	16664	0.08	Nil	16664	0.08	Nil	0.00
11.	Radha Lalit Goculdas	3678	0.02	Nil	3678	0.02	Nil	0.00
12.	Laxmikumar Narottam Goculdas	4500	0.02	Nil	4500	0.02	Nil	0.00
13.	Ranchoddas Mathradas Goculdas	17412	0.08	Nil	17412	0.08	Nil	0.00
14.	Laxmikumar Narottam Goculdas	57500	0.27	Nil	57500	0.27	Nil	0.00
15.	Laxmikumar Narottam Goculdas	20700	0.10	Nil	20700	0.10	Nil	0.00
16.	Laxmikumar Narottam Goculdas	17400	0.08	Nil	17400	0.08	Nil	0.00
17.	Laxmikumar Narottam Goculdas	15500	0.07	Nil	15500	0.07	Nil	0.00
18.	Ranchoddas Mathradas Goculdas	22125	0.10	Nil	22125	0.10	Nil	0.00
19.	Laxmikumar Narottam Goculdas	3070842	14.45	Nil	3070842	14.45	Nil	0.00
20.	Bharati Laxmikumar Goculdas	20889	0.10	Nil	20889	0.10	Nil	0.00
21.	The Natural Gas Co.Pvt. Ltd.	785657	3.70	Nil	785657	3.70	Nil	0.00
22.	Phoenix Distributors Pvt. Ltd.	667243	3.14	Nil	730295	3.44	Nil	0.30
23.	Bharati Laxmikumar Goculdas	265731	1.25	Nil	265731	1.25	Nil	0.00
24.	Jasraj Trading Company	124849	0.59	Nil	124849	0.59	Nil	0.00
25.	Laxmikumar Narottam Goculdas	4285300	20.15	Nil	4285300	20.16	Nil	0.00
26.	L.P. Gas Equipment Private Ltd.	456000	2.15	Nil	456000	2.15	Nil	0.00
27.	Laxmikumar Narottam Goculdas	80743	0.38	Nil	80743	0.38	Nil	0.00
28.	Laxmikumar Narottam Goculdas	103111	0.49	Nil	103111	0.49	Nil	0.00
29.	Bimal Lalitsingh Goculdas	32803	0.15	Nil	32803	0.15	Nil	0.00
	Total	10315607	48.52	Nil	10378659	48.82	Nil	0.30

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Phoenix Distributors Pvt. Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	667243	3.14	667243	3.14
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.): Market purchase	63052	0.30	63052	0.30
	At the End of the year	730295	3.44	730295	3.44

(v) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	For Each of the Top 10 Shareholders (*)	Shareholding at the beginning of the year 1/04/2014		Shareholding at the end of the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Urvashi D. Morarji	536026	2.52	536026	2.52
2	ICICI Bank Ltd.	415369	1.85	262467	1.23
3	Bharat Equity Service Ltd.	313446	1.47	255000	1.20
4	Stocktalks Pvt. Ltd.	300000	1.41	1000	0.00
5	Prabha Pratapsingh Goculdas	297231	1.40	257231	1.21
6	Manoj Bagadia	230439	1.08	238661	1.12
7	Industrial Development Bank of India Ltd.	173451	0.8159	173451	0.82
8	Anisha Raoof Dhanani	143528	0.6752	25000	0.11
9	Parul Panchamia	140370	0.6603	140370	0.66
10	Ghanshyam Kalwani	132672	0.6241	110126	0.52
11	Amit Panchamia	126177	0.59	149981	0.71
12	State Bank of India	132107	0.62	132107	0.62
13	Dr. Ramesh Chimanlal Shah			130631	0.61

(\*) The Shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated.

(vi) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 1/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Shri Laxmikumar Narottam Goculdas</b>				
	At the beginning of the year	7839377	36.88	7839377	36.88
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year).	7839377	36.88	7839377	36.88
2	<b>Shri Haridas Tricumdas Kapadia</b>				
	At the beginning of the year	11448	0.05	11448	0.05
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year).	11448	0.05	11448	0.05
3	<b>Shri Arvind Wasudeo Ketkar</b>				
	At the beginning of the year	324	0.01	324	0.01
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year).	324	0.01	324	0.01
4	<b>Shri Bimal Lalitsingh Goculdas</b>				
	At the beginning of the year	36476	0.17	36476	0.17
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year).	36476	0.17	36476	0.17



Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 1/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	<b>Shri Dilip Trimbak Gokhale</b>				
	At the beginning of the year	150	0.00	150	0.00
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year).	150	0.00	150	0.00

## VI. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I. Principal Amount	644.60	1825.13	525.56	2995.29
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
<b>Total (I + II + III)</b>	644.60	1825.13	525.56	2995.29
<b>Change in Indebtedness during the financial year</b>				
• Addition	187.40	-	-	187.40
• Reduction	192.69	35.89	301.16	529.74
<b>Net Change</b>	(-) 5.29	(-) 35.89	(-) 301.16	(-) 342.34
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	639.31	1789.24	224.40	2652.95
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (I + ii + iii)</b>	639.31	1789.24	224.40	2652.95

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Whole-time Directors and/or Manager :

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount In Rs.
		Shri Bimal Lalitsingh Goculdas CEO & Manager	
1.	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(I) of the Income-tax Act, 1961.	3948000	3948000
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961.	247557	247557
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	<b>Stock option</b>	-	-
3.	<b>Sweat equity</b>	-	-
4.	<b>Commission</b>	-	-
	- as % of profit	-	-
	- others, specify....	-	-
5.	<b>Others (Please specify)- Retirals</b>	468000	468000
	<b>Total (A)</b>	4663557	4663557

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## B. Remuneration to other directors (Refer Corporate Governance Report for details):

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	<b>Mr. Haridas Tricumdas Kapadia</b>	<b>Mr. Madhu Thakorlal Ankleshwaria</b>	<b>Mr. Arvind Wasudeo Ketkar</b>	<b>Mr. Shantilal Tejshi Shah</b>	
	• Fee for attending Board/ Committee meetings	125000	105000	85000	50000	365000
	• Commission	-	-	-	-	
	• Others, please specify	-	-	-	-	
	Total (B) (I)	125000	105000	85000	50000	365000
2.	Other Non-Executive Directors	<b>Mr. Laxmikumar Narottam Goculdas</b>	<b>Ms. Mitika Laxmikumar Goculdas</b>			Total
	• Fee for attending Board/ Committee meetings	100000		50000		150000
	• Commission	-		-		-
	• Others, please specify	-		-		-
	Total (B) (2)	100000		50000		150000
	Total (B) = (1 + 2) Total Managerial Remuneration					515000

## D. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		<b>Mr. D.T. Gokhale Executive Vice President &amp; Company Secretary</b>	<b>Mr. D.K. Sundaram Chief Finance Officer</b>	<b>Total</b>
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	1800000	1812000	3612000
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961.	136856	61600	198456
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	1936856	1873600	3810456

## VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT] Company Law Board (CLB), Mumbai Bench	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding :-					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding :-					
OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding:-					





## REPORT ON CORPORATE GOVERNANCE 2014-2015

### 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 stake holders - the shareholders, the customers, the employees and the creditors.

### 2. Governance Structure

The Corporate Governance structure of the Company is as follows:

- i. Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
- ii. Committees of the Boards( hereinafter called "Committees ": The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Independent Directors Committee, Stakeholder/Investor and Grievance Committee. Each of the said Committee has been mandated to operate within a given framework.

### 3. 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, 2015 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 requirements of the Companies Act, 2013 and the Clause 49 of the Listing agreement. None of the Directors has materially significant pecuniary or business relationship with the Company.

#### Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

#### Intimation given to the Board

The Company provides the information as set out in Clause 49 of the Listing Agreement to the Board and the Board committees to the extent it is applicable and relevant. Such information is submitted either as part of the respective meetings or by way of presentations and discussions during the meeting.

#### Post Meeting Mechanism

The important decisions taken at the Board/Committee meetings are communicated to the concerned departments/divisions.

#### Board Support

The Company Secretary attends the Board/Committee meetings and advises on Compliances with applicable laws and governance.

#### 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, 2015. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement. The dates on which the said meetings were held are as follows:

28<sup>th</sup> May, 2014, 13<sup>th</sup> August, 2014, 18<sup>th</sup> September, 2014, 12<sup>th</sup> November, 2014 and 10<sup>th</sup> February, 2015.

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Attendance of each Director at the Board Meetings held during the financial year ended 31st March, 2015 and last Annual General Meeting and No. of other Directorships / Memberships of the Committee :

Sr . No.	Name of Directors	Category of Directorship (designation as on 31.03.2015)	No. of Board Meetings attended (out of 5 Meetings held)	Attendance at last AGM	No. of other directorships as on 31.03.2015@	No. of Board Committees of other companies in which Chairman, as on 31.03.2015	No. of Board Committees of other companies in which Member, as on 31.03.2015
1	Shri Laxmikumar Narottam Goculdas	Chairman	5	Yes	1	1	2
2	Shri H. T. Kapadia	Non-Executive, Independent	5	Yes	Nil	Nil	Nil
3	Shri M. T. Ankleshwaria	Non-Executive, Independent	4	Yes	1	Nil	Nil
4	Shri A. W. Ketkar	Non-Executive, Independent	5	Yes	1	1	4
5	Shri S. T. Shah	Non-Executive, Independent	4	Yes	4	1	2
6	Ms Mitika L. Goculdas	Non-Executive, Promoter Group	5	Yes	1	Nil	Nil

@Excludes Foreign Companies, Private Companies Alternate Directorships.

Details of Directors being appointed and re-appointed at the ensuing Annual General Meeting to be held on 23<sup>rd</sup> September, 2015.

As per the Companies Act, 2013, 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, Ms Mitika Laxmikumar Goculdas retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

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

### Ms Mitika Laxmikumar Goculdas

Ms Mitika Laxmikumar Goculdas, is MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 19 years including her stint as Vice President with Merrill Lynch both at USA and Dubai. She has experience in Finance, Industry and International Trade.

### Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchange. A Formal letter of appointment to independent Director as provided in Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company viz. [www.dmcc.com](http://www.dmcc.com)

### 4. Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter or appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman and Manager also has one to one discussion with the newly appointed Director to familiarise him with the Company's operations. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

### 5. 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 177 of the Companies Act, 2013 and Rules 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchange.

Meeting and the attendance during the financial year ended 31<sup>st</sup> March, 2015.



Four Meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March, 2015 as given below. The attendance of each Committee member at the Audit Committee Meeting are given below:

Dates on which Audit Committee Meeting were held	Shri H. T. Kapadia	Shri Laxmikumar Narottam Goculdas	Shri M. T. Ankleshwaria
28.05.2014	Present	Present	Absent
13.08.2014	Present	Present	Present
12.11.2014	Present	Present	Present
10.02.2015	Present	Present	Present

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.

## 6. Nomination and Remuneration Committee

### Composition

The Nomination and Remuneration Committee comprises of three Non-Executive, Independent Directors. Shri Haridas Tricumdas Kapadia, Non-Executive, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Shri Arvind Wasudeo Ketkar and Shri Madhu Thakorlal Ankleshwaria. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Sections 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Meeting and Attendance

The Nomination and Remuneration Committee members held their meetings on 09<sup>th</sup> May, 2014 and 27<sup>th</sup> March, 2015. The necessary quorum was present, since all the members attended the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

Dates on which Nomination and Remuneration Committee Meeting were held	Shri H T Kapadia	Shri A. W. Ketkar	Shri M T Ankleshwaria
09.05.2014	Yes	Yes	Yes
27.03.2015	Yes	Yes	Yes

## 7. Remuneration to Directors

Details of remuneration paid to non-executive directors during the financial year ended 31<sup>st</sup> March, 2015 are as below:

Sr. No.	Name of Directors	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Independent Directors Committee Meeting	Corporate Social responsibility Committee Meeting	Total	No. of equity shares held as on 31.03.2015
1	Shri Laxmikumar Narottam Goculdas	50000	40000	Nil	Nil	10000	100000	7839377
2	Shri H. T. Kapadia	50000	40000	15000	10000	10000	125000	11448
3	Shri M. T. Ankleshwaria	40000	30000	15000	10000	10000	105000	Nil
4	Shri A. W. Ketkar	50000	Nil	15000	10000	10000	85000	324
5	Shri S. T. Shah	40000	Nil	Nil	10000	Nil	50000	Nil
6	Ms Mitika L. Goculdas	50000	Nil	Nil	Nil	Nil	50000	Nil
	Total	280000	110000	45000	40000	40000	515000	7851149

### Relation between the Directors

None of the Directors of the Company except Shri Laxmikumar Narottam Goculdas ( father of Ms. Mitika Laxmikumar Goculdas) and Ms. Mitika Laxmikumar Goculdas ( Daughter of Shri Laxmikumar Narottam Goculdas) are related to each other.

### Remuneration to “ Chief Executive Officer ” and “Manager”

Details of remuneration paid/payable to Chief Executive Officer and “Manager” during the financial year 31<sup>st</sup> March, 2015 are as below:

(excludes Contribution 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	3600000	468000	595557	4663557

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 01-04-2014 to 31-03-2017. No severance fees or stock option are available to him.

**Relation of the Chief Executive Officer and Manager with Directors**

Shri Bimal Lalitsingh Goculdas, Chief Executive Officer and Manager of the Company is related to Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas.

**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, Contribution to Provident Fund & Superannuation and Gratuity.

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman, Manager and the Non-Independent Director were carried out by the independent Directors. The Directors express their satisfaction with the evaluation process.

**8. 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.

**Composition and attendance**

This Committee comprises of Two Directors. Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) is the Chairman of the Committee. The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all Meetings.

Sr. No.	Name of the Directors	Role	Category	No. of Meetings attended
1	Shri Laxmikumar Narottam Goculdas,	Chairman	Non-Executive Promoter	5 of 5
2	Shri Haridas Tricumdas Kapadia	Member	Non-Executive Independent	5 of 5

**Details of Shareholders' Complaints Received, solved and pending Share Transfer**

The total number of complaints received and replied to the shareholders during the year ended March 31, 2015 were 2 as per details given below. There were no complaints outstanding as on 31<sup>st</sup> March, 2015. The number of pending share transfers and pending requests for dematerialization as on 31<sup>st</sup> March, 2015 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on 31<sup>st</sup> March, 2015.

Sr. No.	Nature of Complaints	Complaint Received	Complaint Redressed
1	Non Receipt of Dividend/Interest/Redemption warrants	2	2

**Corporate Social Responsibility Committee**

**Composition**

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted, which comprises of four Directors, Shri Laxmikumar Narottam Goculdas is the Chairman of the Committee. The other members of the CSR Committee include Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria and Shri Arvind Wasudeo Ketkar. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as per Section 135 of the Companies Act, 2013.

The Company has formulated a CSR Policy and the same has been uploaded on the website of the Company ([www.dmcc.com](http://www.dmcc.com))

**The terms of reference of the Corporate Social Responsibility Committee broadly comprises:**

To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

To provide guidance on various CSR initiatives to be undertaken by the Company and to monitor process.

**Meeting and Attendance:**

The CSR Committee meeting held on 27<sup>th</sup> March, 2015. The necessary quorum was present for the Meeting. The Composition of the CSR Committee as at 31<sup>st</sup> March, 2015 and the details of meetings of the Committee are as under :

Sr. No.	Name	Position	Category	No. of Meeting attended
1	Shri L. N. Goculdas	Chairman	Non-Executive Promoter	1 of 1
2	Shri H. T. Kapadia	Member	Non-Executive Independent	1 of 1
3	Shri M. T. Ankleshwaria	Member	Non-Executive Independent	1 of 1
4	Shri A. W. Ketkar	Member	Non-Executive Independent	1 of 1



## 9. 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 :

- 93<sup>rd</sup> Annual General Meeting was held on 18.09.2014 at 11.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting
- 92<sup>nd</sup> 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.
- 91<sup>st</sup> 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.

During the year 2014-2015, no Resolution was put through Postal Ballot

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

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

## 10. Disclosures

- Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and 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).

- At every Board Meeting and Audit Committee Meeting, the Register of Contracts maintained Under Section 189 of the Companies Act, 2013 is tabled and signed by the Directors.
- Transactions with the related parties are disclosed in Note No. XIII 7(E) 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.
- 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.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- 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 are disclosed in note number XIII(7) (E) of the notes forming part of Accounts, as per Accounting Standard Number AS 18.
- 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.

## 11. 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 31<sup>st</sup> March, 2015 and adequacy of internal controls as required under Clause 49 of the Listing Agreement.

## 12. Means of Communications

- Quarterly Financial Results of the Company are forwarded to the Stock Exchange, Mumbai and published in "Free Press Journal" and "Navshakti" newspapers.
- 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).
- Management Discussion & Analysis Report forms part of Directors' Report. No presentations were made to the institutional investors or analysts during the year.

## 13. General Shareholder Information

94<sup>th</sup> Annual General Meeting

Date : Wednesday, 23<sup>rd</sup> September, 2015

Time : 11.00 a.m.

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

Financial Calendar for the year 2015-16 (Provisional) :

- |   |                                    |
|---|------------------------------------|
| a. Results for the first quarter ending 30 <sup>th</sup> June, 2015       | By 14 <sup>th</sup> August, 2015   |
| b. Results for the second quarter ending 30 <sup>th</sup> September, 2015 | By 14 <sup>th</sup> November, 2015 |
| c. Results for the third quarter ending 31 <sup>st</sup> December, 2015   | By 14 <sup>th</sup> February, 2016 |
| d. Results for the year ending 31 <sup>st</sup> March, 2016 (Audited)     | By end of May, 2016                |
| e. Annual General Meeting for the year ending March, 2016                 | In September, 2016                 |



## NINETY FOURTH ANNUAL REPORT 2014-15

Date of Book Closure : 17<sup>th</sup> September, 2015 to 23<sup>rd</sup> September, 2015 (both days inclusive)

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 low Indices were as follows :

Month	Shares Price		BSE Indices	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2014	11.13	9.20	22939.31	22197.51
May, 2014	11.83	8.50	25375.63	22277.04
June, 2014	13.49	11.35	25725.12	24270.20
July, 2014	12.50	10.37	26300.17	24892.00
August, 2014	17.68	10.42	26674.38	25232.82
September, 2014	28.30	18.56	27354.99	26220.49
October, 2014	24.30	21.60	27894.32	25910.77
November, 2014	25.20	18.50	28822.37	27739.56
December, 2014	20.55	16.45	28809.64	26469.42
January, 2015	20.9	16.00	29844.16	26776.12
February, 2015	18.50	14.60	29560.32	28044.49
March, 2015	16.50	12.90	30024.74	27248.45

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 : [mt.helpdesk@linkintime.co.in](mailto:mt.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<sup>st</sup> March, 2015 were 102573.

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

### Shareholding Pattern and Distribution of Shares :

Shareholding Pattern as on 31<sup>st</sup> March, 2015:

Category	No. of Shares held	% of Shareholding
Promoters	10378659	48.82
Mutual Funds and UTI	4304	0.02
Banks, Financial Institutions, Insurance Cos.	699123	3.29
Private Corporate Bodies and Trusts	1178525	5.54
Indian Public	8572518	40.33
NRIs/OCBs	342641	1.61
Clearing Members (in the depository)	82051	0.39
<b>TOTAL</b>	<b>21257821</b>	<b>100.00</b>

Note: The total Foreign Shareholding as on 31<sup>st</sup> March, 2015 was 8182018 shares, which in, percentage terms was 38.49 % 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 31<sup>st</sup> March, 2015.

No. of Shares held	No. of Folios	Percentage	Shares	Percentage
Up to 500	12091	85.5213	1294586	6.0899
501 to 1000	898	6.3517	741559	3.4884
1001 to 2000	479	3.3880	747812	3.5178
2001 to 3000	193	1.3651	496702	2.3366
3001 to 4000	100	0.7073	357246	1.6805
4001 to 5000	107	0.7568	508911	2.3940
5001 to 10000	116	0.8205	899195	4.2299
10001 to 30000	97	0.6861	1718340	8.0833
30001 to 50000	21	0.1485	825961	3.8854
50001 to 100000	11	0.0778	789078	3.7120
100001 and above	25	0.1769	12878431	60.5822
<b>TOTAL</b>	<b>14138</b>	<b>100.0000</b>	<b>21257821</b>	<b>100.0000</b>

#### Dematerialisation of Shares and liquidity

As on 31<sup>st</sup> March, 2015, out of 2,12,57,821 Equity Shares of the Company, 19,52,24,67 Equity Shares representing 91.84% Equity Shares, have been dematerialized by 6132 shareholders. The total number of shareholders of the Company are 14,138.

The Company has not issued any GDRs, 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](mailto:dgokhale@dmcc.com)

#### Factories :

- (1) Roha : 105, MIDC Industrial Area, Audyogik Vasahat Post Office, Dhatav, Roha 402116, Dist. Raigad, Maharashtra.
- (2) Jhar : Jhar Village, Taluka – Dhari, Dist. Amreli 365630, Gujarat.
- (3) Khemli : Khemli Village, Tehsil, Mavli, Dist. Udaipur, Rajasthan.

Date : 12<sup>th</sup>. August, 2015.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members of,  
**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, 2015 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

**RAJESH S. JOSHI**  
Partner  
Membership No. 38526

Mumbai: 12<sup>th</sup> August, 2015

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY 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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

#### Basis for qualified 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 reasons detailed in Note No.V(c). We are not in a position to opine on the realisability of the said net deferred tax asset. Consequently, 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 and *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position (net of provision made) in its financial statements Refer Note 2-A to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

**For K.S.AIYAR & Co**  
Chartered Accountants  
Firm's Registration No. 100186W

**RAJESH S.JOSHI**  
Partner  
Membership No. 38526

Place of Signature: Mumbai  
Date: 28<sup>th</sup> May, 2015



## ANNEXURE TO THE AUDITORS' REPORT

**Re: The Dharamsi Morarji Chemical Company Limited.**

**Referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report.**

- (i) (a) The company is maintaining 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.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;  
 (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
 (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any secured or unsecured loans to any party covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a) and (b) of clause (iii) are not applicable to the Company.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is a no continuing failure to correct major weaknesses in internal control system.
- (v) The Company had unclaimed fixed deposits of Rs.0.60 Lacs (Earlier deposits) which will be paid/transferred to Investor Education and Protection Fund when claimed/ due.  
 The Company has not accepted any deposits during the year to which the provisions of section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of deposits) Rules, 2014 apply.
- (vi) Central Government has specified the maintenance of cost records under sub-section (I) of section 148 of the Companies Act, 2013. Such accounts and records have been made and maintained by the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues that were outstanding as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.  
 (b) Dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as under.

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
	Duty/Interest/Penalty	Asst. Commissioner	August 2003 to May 2004	1.18
	Duty/Interest/Penalty	Commissioner		56.59
	Duty	Dy. Commissioner		3.79
	Duty	CESTAT, West Zone Bench.	Sept 13 to Aug 14	14.70
	Duty	Additional Commissioner of Central Excise	Nov 10 to Sept 13	5.96
	Duty	Suptd. Of Central Excise(Tech)-IVth Division, Mahad	Oct 13 to Aug 14	0.50
	Transport Fees on SDS	Bombay High Court	2007-08 to 2014-15	42.34
			<b>Total</b>	<b>163.96</b>

- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) 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.
- (ix) The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) The Company has not given any guarantee for loans taken by others from any bank or financial institution.
- (xi) Term loans were applied for the purpose for which the loans were obtained;
- (xii) No fraud on or by the Company has been noticed or reported during the year.

**For K.S. AIYAR & Co**  
 Chartered Accountants  
 Firm's Registration No. 100186W

**RAJESH S. JOSHI**  
 Partner  
 Membership No. 38526

Place of Signature: Mumbai  
 Date: 28<sup>th</sup> May, 2015

**BALANCE SHEET**

AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31-03-2015 Rs. In lacs	As at 31-03-2014 Rs. In lacs
<b>Equity and Liabilities</b>			
(1) Shareholders' Funds			
(a) Share Capital	I	3,005.78	3,005.78
(b) Reserves and Surplus	II	61.83	(1,295.81)
(2) Non Current Liabilities	III		
(a) Long Term Borrowings		2,385.20	2,687.24
(b) Other Long Term Liabilities		71.35	1,475.70
(c) Long Term Provisions		213.16	232.38
(3) Current Liabilities	IV		
(a) Trade Payables		1,485.41	1,804.67
(b) Other Current Liabilities		1,502.91	1,845.63
(c) Short Term Provisions		110.65	97.20
<b>TOTAL</b>		<b>8,836.29</b>	<b>9,852.79</b>
<b>Assets</b>			
(1) Non Current Assets	V		
(a) Fixed Assets			
(i) Tangible assets		2,444.02	2,562.20
(ii) Capital Work in Progress		58.91	86.32
(b) Non Current Investments		34.08	26.62
(c) Deferred Tax Assets (Net)		2,654.15	2,654.15
(d) Long Term Loans and Advances		162.17	193.43
(2) Current Assets	VI		
(a) Inventories		1,203.34	814.37
(b) Trade Receivables		1,432.52	1,705.88
(c) Cash and Bank Balances		338.61	178.63
(d) Other Current Assets		508.49	1,631.19
<b>TOTAL</b>		<b>8,836.29</b>	<b>9,852.79</b>
Significant Accounting Policies and other Explanatory Information	XIII		

As per our Report of even date attached

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

**L.N.GOCULDAS**  
Chairman

**D.T. GOKHALE**  
Company Secretary

**RAJESH S. JOSHI**  
Partner  
Membership No.38526

**H. T. KAPADIA**  
Director

**D. K. SUNDARAM**  
Chief Finance Officer

Mumbai, 28th May, 2015

Mumbai, 28th May, 2015



# STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH 2015

Particulars	Note No.	for the year ended on 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
Revenue from Operations	VII	12,006.43	10,130.60
Other Income	VIII	29.33	42.02
<b>Total Revenue</b>		<b>12,035.76</b>	<b>10,172.62</b>
<b>Expenses</b>			
Cost of materials consumed	IX	7,505.38	5,975.68
Employee benefits expense	X	635.06	654.55
Other expenses	XI	1,925.96	1,963.43
Profit/(Loss) before Finance Costs, Depreciation and Tax (EBITDA)		1,969.36	1,578.96
Finance Costs		184.63	238.30
Profit/(Loss) before Depreciation and Tax		1,784.73	1,340.66
Depreciation		243.85	347.39
Non-recurring Items	XII	142.60	(612.65)
Profit/(Loss) before Tax		1,398.28	1,605.92
Tax Expenses		-	-
Profit/(Loss) after Tax		1,398.28	1,605.92
Earning per share	XIII(6b)	6.27	7.25
Significant Accounting Policies and other Explanatory Information	XIII		

As per our Report of even date attached

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

**L.N.GOCULDAS**  
Chairman

**D.T. GOKHALE**  
Company Secretary

**RAJESH S. JOSHI**  
Partner  
Membership No.38526

**H. T. KAPADIA**  
Director

**D. K. SUNDARAM**  
Chief Finance Officer

Mumbai, 28th May, 2015

Mumbai, 28th May, 2015



# NOTES TO BALANCE SHEET

## NOTE: I SHARE CAPITAL

	As at 31-03-2015		As at 31-03-2014	
	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>3005.78</u>		<u>3005.78</u>

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

Particulars	As at 31-03-2015		As at 31-03-2014	
	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 yearly installment of Rs.120 Lacs each commencing from Financial Year 2008-09. But due to the Accumulated Losses of the Company, the Company was not in a position to redeem the said Preference Shares during the said Financial Years from 2008-2009 to 2012-2013. Therefore, the Company had approached and requested the Preference Share-holders for further extension of time for the redemption of the said Preference Shares. The Preference Share-holders have agreed for further extension of time for the redemption of the said Preference shares any time upto 31 st March, 2018.

The cumulative dividend on these Preference Shares aggregating to Rs.576 Lacs (Previous year Rs.528 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 yearly installment 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 due to the Accumulated Losses of the Company. Therefore, the Company had approached and requested the Preference Share-holder for further extension of time for the redemption of the said Preference Shares. The Preference Share-holder has agreed for further extension of time for the redemption of the said Preference shares any time upto 31 st March, 2022.



## NOTES TO BALANCE SHEET

The cumulative dividend on these Preference Shares aggregating to Rs. 50.81 Lacs (Previous year Rs. 43.81 Lacs) is to be paid as and when declared by the Company.

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 31-03-2015		As at 31-03-2014	
	Numbers	Percentage	Numbers	Percentage
Shri Laxmikumar Narottam Goculdas	7,839,377	36.88%	7,839,377	36.88%

**NOTE: II RESERVES & SURPLUS**

	As at 31-03-2015 Rs. In Lacs	As at 31-03-2014 Rs. In Lacs
Capital Reserve	3,363.24	3,363.24
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	(4,824.45)	(6,430.37)
Add : Depreciation in respct of earlier years as per the provisions contain at 7(b) of Schedule II to the Companies Act, 2013	(40.64)	
	(4,865.09)	
Add:- Profit / (Loss) of the current year transferred from Statement of Profit & Loss.	1,398.28	1,605.92
Total Surplus/(Deficit)	(3,466.81)	(4,824.45)
<b>Total</b>	<b>61.83</b>	<b>(1,295.81)</b>

# NOTES TO BALANCE SHEET

## Note: III Non Current Liabilities

	As at 31-03-2015 Rs. In Lacs		As at 31-03-2014 Rs. In Lacs	
<b>(a) Long Term Borrowings</b>				
<b>Secured</b>				
(i) Term Loan from a Bank	-		113.36	
(ii) Working Capital Term Loan	261.73		326.83	
(iii) Car Loan from a bank	-		7.82	
(iv) New Car Loan from a bank	13.84		-	
(v) Project Loan from a bank	170.40	445.97		448.01
<b>Unsecured</b>				
(i) Inter Corporate Deposits from related parties	223.80		523.80	
(ii) Loans from a Director	1,715.43	1,939.23	1,715.43	2,239.23
These inter corporate deposits and loans from a Director are unsecured and interest free.				
		2,385.20		2,687.24
<b>(b) Other Long Term Liabilities</b>				
(i) Advance received from a Strategic Investor	-		1,404.35	
(ii) Advance received against sale of Land at Navlakhi	45.35		45.35	
(iii) Security Deposits received against Royalty	26.00	71.35	26.00	1,475.70
<b>(c) Long Term Provisions:</b>				
Provision for Employee Benefits		213.16		232.38
<b>Total</b>		<b>2,669.71</b>		<b>4,395.32</b>

### (a) (i) Term Loan from a Bank

Repayable in 25 EMI's commencing from 26-01-2014. Rate of interest is 14%. 15 EMIs have been paid in time, up to 31st March, 2015 and 10 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, 2015 of Rs.112.92 Lacs, the entire amount is due in next ten months, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'. (See Note No. IV(b)(i)).

### (ii) Working Capital Term Loan

Repayable in 60 EMI's commencing from 17-02-2014. Rate of interest is 14%. 14 EMIs have been paid in time, up to 31st March, 2015 and 46 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, 2015 of Rs.331.39 Lacs, amount due in next twelve months is Rs.69.66 Lacs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. IV(b)(ii)) and the balance Term Loan of Rs.261.73 Lacs is shown above as Working Capital Term Loan.

### (iii) Car Loan from a bank

Repayable in 24 EMI's commencing from 26-01-2014. Rate of interest is 11.00%. 15 EMIs have been paid in time, up to 31st March, 2015 and 9 are remaining to be paid as on that date.

Secured against hypothecation of vehicles.

Out of total outstanding term loan as on 31st March, 2015 of Rs.7.99 Lacs, the entire amount is due in next nine months, and shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'. (See Note No. IV(b)(iii))



# NOTES TO BALANCE SHEET

## (iv) New Car Loan from a bank

Repayable in 60 EMI's commencing from 21-02-2015. Rate of interest is 10.50%. 2 EMIs have been paid in time, up to 31st March, 2015 and 58 are remaining to be paid as on that date.

Secured against hypothecation of vehicles.

Out of total outstanding term loan as on 31st March, 2015 of Rs.16.61 Lacs, amount due in next twelve months is Rs.2.77 Lacs. Which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. IV(b)(iv)) and the balance Term Loan of Rs.13.84 Lacs is shown above as New Car loan from a bank.

## (iv) Project Loan from bank

The Loan has been partly disbursed and the balance disbursement is under process. The Project work is in progress and the loan is to repay in 36 EMIS of Rs 10.25 lacs each with moratorium of 9 months from the date of first disbursement. Rate of Interest is 14%

## Note: IV Current Liabilities

	As at 31-03-2015		As at 31-03-2014	
	Rs. In Lacs		Rs. In Lacs	
(a) Trade Payable (*)		1,485.41		1,804.67
(b) Other Current Liabilities				
(i) Current maturities of Long Term Debts (See Note III (a))	112.92		121.00	
(ii) Current maturities of Working Capital Term Loan	69.66		65.73	
(iii) Current maturities of Long Term Debts (Car Loan) (See Note III(a))	7.99		9.86	
(iv) Current maturities of Long Term Debts (New Car Loan) (See Note III(a))	2.77		-	
Acceptances (Export Bills Discounting)	-		148.74	
Unclaimed Matured Deposits	0.60		1.76	
Trade Deposits	115.56		393.55	
Other Payables. (**)	1,193.41	1,502.91	1,104.99	1,845.63
(c) Short Term Provisions				
Provision for Employee Benefits	110.65		93.65	
Provision for Taxation	-	110.65	3.55	97.20
<b>Total</b>		<b>3,098.97</b>		<b>3,747.50</b>

(\*) 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.73.81 Lacs (Previous year Rs. 109.70 Lacs) of overdue Sales Tax Loan for which the Company has sought revised schedule for repayment from the Concerned Authorities.

# NOTES TO BALANCE SHEET

## Note: V Non Current Assets

	As at 31-03-2015 Rs. In Lacs	As at 31-03-2014 Rs. In Lacs
(a) Fixed Assets		
(i) Tangible assets		
Land - Freehold	52.57	52.57
Land - Leasehold	7.76	7.97
Buildings	511.86	529.77
Plant & Equipment	1,798.79	1,894.93
Furniture & Fixtures	5.26	5.67
Vehicles	46.60	34.00
Office Equipments	21.18	37.29
	<u>2,444.02</u>	<u>2,562.20</u>
(ii) Capital Work in Progress	58.91	86.32
(b) Non Current Investments (At Cost)		
Investment in Equity shares (Unquoted, Non Trade, Long Term)		
1000 (Previous year 1000) Fully Paid Equity Shares of Rs. 50/- each in Dombivali Nagari Sahakari Bank Ltd.	0.50	0.50
329250 (Previous year 250000) Fully Paid Equity Shares of Rs. 10/- each in Janakalyan Sahakari Bank Ltd.	32.92	25.00
1000 (Previous year 1000) Fully Paid Equity Shares of Rs. 10/- each in Saraswat Co-operative Bank Ltd.	0.10	0.10
25 (Previous year 25) Fully Paid Equity Shares of Rs. 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	0.01	0.01
Investment in Equity shares (Unquoted, Trade, Long Term)		
33000 (Previous year 33000) Fully Paid Equity Shares of Rs. 10/- each in Indian Potash Ltd.	0.55	0.55
Investment in Government or Trust securities (Unquoted, Non Trade, Long Term)-National Saving Certificates lodged as security deposits.	-	0.46
	<u>34.08</u>	<u>26.62</u>
(c) Deferred Tax Assets (Net)	2,654.15	2,654.15
(d) Long Term Loans and Advances		
Capital Advances	0.27	-
Security deposits	144.94	143.10
Balances with Excise, Customs, public bodies etc.	9.81	20.73
Advances to Suppliers - Unsecured considered good	-	8.08
Others	7.15	21.52
	<u>162.17</u>	<u>193.43</u>
<b>Total</b>	<b>5,353.33</b>	<b>5,522.72</b>



# NOTES TO BALANCE SHEET

## V(a) Fixed assets - Tangible

Description	GROSS BLOCK				DEPRECIATION					IMPAIRMENT LOSS	NET BLOCK	
	As on 01.04.2014	Addition	Deductions	As on 31.03.2015	As on 01.04.2014	Deductions	During the Year	Adjusted to brought forward balance of profit & loss @	As on 31.03.2015		As on 31.03.2015	As on 31.03.2014
Free Hold Land	52.57	-	-	52.57	-	-	-	-	-	-	52.57	52.57
Lease Hold Land	12.49	-	-	12.49	4.52	-	0.21	-	4.73	-	7.76	7.97
Buildings	977.26	14.49	-	991.75	447.49	-	23.19	9.21	479.89	-	511.86	529.77
Plant & Equipments - Owned	8,914.59	126.37	-	9,040.96	6,290.38	-	206.78	15.73	6,512.89	729.28	1,798.79	1,894.93
Furniture & Fixtures	94.13	-	0.32	93.81	88.46	0.30	0.15	0.24	88.55	-	5.26	5.67
Vehicles	88.46	19.70	33.13	75.03	54.46	31.73	5.70	-	28.43	-	46.60	34.00
Office Equipments	264.98	15.24	148.97	131.25	227.69	140.90	7.82	15.46	110.07	-	21.18	37.29
<b>TOTAL</b>	<b>10,404.48</b>	<b>175.80</b>	<b>182.42</b>	<b>10,397.86</b>	<b>7,113.00</b>	<b>172.93</b>	<b>243.85</b>	<b>40.64</b>	<b>7,224.56</b>	<b>729.28</b>	<b>2,444.02</b>	<b>2,562.20</b>
<b>Previous Year</b>	<b>13,856.10</b>	<b>213.26</b>	<b>3,664.88</b>	<b>10,404.48</b>	<b>9,682.27</b>	<b>2,916.66</b>	<b>347.69</b>	<b>-</b>	<b>7,113.00</b>	<b>729.28</b>	<b>2,562.20</b>	

@ Depreciation in respect of earlier years as per the provisions contain at 7(b) of Schedule II to the Company's Act, 2013

Note :-

- Pursuant to the provisions of Companies Act, 2013 (the Act) become effective from 01.04.2014, the Company has adopted the specified useful life of its Fixed Assets as per Schedule II to the Act and consequently :
  - Depreciation for the year is lower by Rs. 82.05 lacs
  - Depreciation charged in respect of earlier years amounting to Rs. 40.64 lacs has been adjusted to the brought forward balance of profit & loss.
- Borrowing Cost of specific borrowings capitalised during the year amounting to Rs.4.72 Lacs.

## Note No. V(c) Deferred Tax Assets (Net)

The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2015 and 31.03.2014, recognised by the Company in the books of account, is as follows :

Particulars	As at 31-03-2015 Rs. In Lacs	As at 31-03-2014 Rs. In Lacs
Deferred Tax Liabilities :		
Difference between book and tax depreciation	1,611.05	1,611.05
Others	221.90	221.90
<b>Total</b>	<b>1,832.95</b>	<b>1,832.95</b>
Deferred Tax Assets :		
Unabsorbed depreciation / Business loss	3,610.68	3,610.68
Others	876.42	876.42
<b>Total</b>	<b>4,487.10</b>	<b>4,487.10</b>
<b>Net Deferred Tax Liabilities / (Deferred Tax Assets) :</b>	<b>(2,654.15)</b>	<b>(2,654.15)</b>

The Company's export business over the last three years has been steadily growing . 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 product 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.



# NOTES TO BALANCE SHEET

## Note: VI Current Assets

	As at 31-03-2015 Rs. In Lacs	As at 31-03-2014 Rs. In Lacs
(a) Inventories (For policy on valuation basis refer Note No. X(1))		
Raw materials	289.94	200.68
Material in process (Manufactured)	4.11	8.18
Finished Goods - Own	545.41	362.62
Stores and Spares	363.88	242.89
	1,203.34	814.37
(b) Trade Receivables		
Unsecured, considered good		
Outstanding for a period of more than six months	99.54	781.00
Outstanding for a period of less than six months	1,332.98	924.88
	1,432.52	1,705.88
(c) Cash and Bank Balances		
Balances with Banks in Current Accounts	268.71	81.08
Cash on hand	6.48	15.93
Fixed deposits with Banks kept as margin money for issuing Bank Guarantees.	63.42	81.62
	338.61	178.63
(d) Other Current Assets		
Prepaid Expenses	36.63	76.41
Deposits with Excise, Sales Tax, Customs and other Government bodies	308.50	397.98
Receivable on account of sale of fixed assets	-	978.76
Others	163.36	178.04
	508.49	1,631.19
Total	3,482.96	4,330.07

### Note VI(a)

#### Details of Inventories in Rs. Lacs

##### Raw Materials

	Opening Stock	Closing Stock
Sulphur	145.00	264.44
	(35.14)	(145.00)
Special Denatured Spirit	10.08	1.27
	(23.85)	(10.08)
Others	45.60	24.23
	(35.14)	(45.60)
Total	200.68	289.94
	(94.13)	(200.68)

Figures in bracket are in respect of the previous year

##### Finished Goods (Own)

	Opening Stock	Closing Stock
Commodity Chemicals	46.99	69.56
	(27.22)	(46.99)
Speciality Chemicals	314.45	468.80
	(286.32)	(314.45)
Others	1.18	7.05
	(2.19)	(1.18)
Total Manufactured Finished Goods	362.62	545.41
	(315.73)	(362.62)

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 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
a) From sale of Products - Own - Chemicals		
Commodity Chemicals	4,469.66	3,373.98
Speciality Chemicals	7,669.52	6,499.66
Other Chemicals	257.16	244.41
From sale of Products - Traded	151.95	237.57
From Royalty / Processing charges (SSP - Fertiliser)	105.65	328.28
	<u>12,653.94</u>	<u>10,683.90</u>
Less : Excise Duty	705.62	553.30
	<u>11,948.32</u>	<u>10,130.60</u>
b) Other Operating Income	58.11	-
<b>TOTAL</b>	<u><b>12,006.43</b></u>	<u><b>10,130.60</b></u>

## Note : VIII - Other Income

	for the year ended on 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
Interest Income	5.99	11.16
Dividend Income	0.84	0.84
Profit on sale of fixed assets	-	0.06
Other non -operating income	22.50	29.96
<b>TOTAL</b>	<u><b>29.33</b></u>	<u><b>42.02</b></u>

## Note - IX Cost of materials consumed

	for the year ended on 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
Sulphur	4,125.05	2,777.26
Special Denatured Spirit	666.34	574.39
Others	2,374.42	2,138.52
Purchases of stock in trade	148.94	233.40
Cost of packing materials consumed	369.34	299.68
Decrease/(Increase) in inventories of finished goods, work in progress and Traded goods	(178.71)	(47.57)
	<u><b>7,505.38</b></u>	<u><b>5,975.68</b></u>

## Note : X - Employee Benefits Expense

	for the year ended on 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
Salaries and Wages (Net after Repairs)(*)	556.84	517.14
Contribution to Provident Fund	18.59	23.44
Contribution to Other Funds (Gratuity, Superannuation,etc)	21.50	69.49
Staff Welfare Expenses	38.13	44.48
<b>Total</b>	<u><b>635.06</b></u>	<u><b>654.55</b></u>
(*) Salaries & Wages allocated to Repairs etc.	<u><b>43.45</b></u>	<u><b>56.44</b></u>

# NOTES TO STATEMENT OF PROFIT AND LOSS

## Note : XI - Other Expenses

	for the year ended on 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
Consumption of Stores & Spares (Net after Repairs)(*)	0.05	1.13
Power & Fuel	539.57	673.84
Repairs to buildings	22.10	24.09
Repairs to machinery	379.41	407.68
Insurance	13.49	14.55
Rates and taxes	13.25	11.17
Internal handling, Freight and carriage outward	544.12	504.65
Net loss/(gain) on foreign currency transactions	20.87	(31.27)
<b>Auditors' Remuneration</b>		
Audit fees	4.50	4.50
Tax audit fees	1.40	1.40
For other services	1.62	1.53
Reimbursement of out of pocket expenses	0.38	0.39
Sundry balances written off / (written back) (net)	(87.80)	(96.11)
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets	9.15	9.71
Miscellaneous expenses	463.85	436.17
<b>TOTAL</b>	<b>1,925.96</b>	<b>1,963.43</b>
(*) Consumption of Stores & Spares allocated to Repairs etc.	<b>187.48</b>	<b>236.11</b>

## Note : XII - Exceptional Items

	for the year ended on 31.03.2015 Rs.in Lacs	for the year ended on 31.03.2014 Rs.in Lacs
<b>A) Income</b>		
Profit on Sale of Fixed Assets - Ambarnath Factory	-	612.65
<b>B) Expense</b>		
Retrenchment Compensation & other Retirement Benefits	142.60	-
<b>TOTAL</b>	<b>142.60</b>	<b>612.65</b>

As per our Report of even date attached

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

**L.N.GOCULDAS**  
Chairman

**D.T. GOKHALE**  
Company Secretary

**RAJESH S. JOSHI**  
Partner  
Membership No.38526

**H. T. KAPADIA**  
Director

**D. K. SUNDARAM**  
Chief Finance Officer

Mumbai, 28th May, 2015

Mumbai, 28th May, 2015



## **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR APRIL 2014 TO MARCH 2015**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The Financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India ( Indian GAAP) under the Historical Cost Convention on an accrual basis of accounting. The Company has prepared Financial Statements to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act 2013 read with rule 7 of Companies (Accounts) Rules 2014.

The Accounting Policies adopted in the preparation in Financial Statements are consistent with those of previous year.

The Company has elected to present earning before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of the Profit and Loss.

#### **Use of Estimates and Judgements**

In preparation of the Financial Statements, in conformity with Indian GAAP the management is required to make Judgements, Estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty of these assumptions and estimates could result in the outcomes different from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods

#### **Fixed Assets**

##### **Tangible 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 is provided on Straight Line method as per the useful life specified in schedule II to the Companies Act, 2013

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.

##### **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.

##### **Valuation of Inventories**

Inventories 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**

**Contribution Plans : -**

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

**Benefit Plans :-**

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. Gratuity Benefits (based on actuarial valuation) is charged to 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 Statement 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.

**2 Contingent Liabilities and Commitments**

		Rs. in Lacs	
		As at 31st March, 2015	As at 31st March, 2014
<b>A</b>	<b>Contingent Liabilities</b>		
(i)	Outstanding claims in respect of Excise Duty, etc.	121.62	110.14
(ii)	Guarantees given by the Company's Bankers	48.50	36.46
(iii)	Others - Arrears of Cumulative Preference Dividend	626.81	571.81
(iv)	Claims against Company not acknowledged as debts	55.76	55.76

The Company has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have the materially adverse effect.

**B Commitments**

(i)	Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	7.71	10.36
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- 3 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, 2015 and for the year ended 31st March, 2014. Accordingly, No provision has been made in respect of current income tax.
- 4 During the year, the manufacturing of Fertilizers at Khemli Factory of the Company remained closed for the entire year and hence the fertilizer segment will no longer be a primary business of the Company. There is only one reportable segment i.e chemicals business of the Company.
- 5 Since the manufacturing operations of Fertilizers at Khemli Factory of the Company have been closed, the services of all employees of that factory have been separated. The Company has provided for the compensation and other retirement benefits to those employees amounting to Rs. 142.60 Lacs which have been considered as an Exceptional item.
- 6 **Segment Reporting :**

The Company is operating in one reportable primary business segment i.e. Chemicals. Secondary segment information in relation to domestic markets and foreign markets is disclosed to the extent possible taking into account the nature of products, the different risks and returns, the organisation structure and the internal reporting system.



**SEGMENT INFORMATION FOR THE PERIOD April 2014 TO 31st March 2015**

<b>INFORMATION ABOUT BUSINESS SEGMENTS</b>			
	<b>Chemicals [Rs in Lacs]</b>	<b>Others / Unallocated Expenditure [ Rs. in Lacs ]</b>	<b>Total [ Rs. in Lacs ]</b>
<b>REVENUE (NET)</b>			
Domestic Sales (Net of Excise Duty)	6667.05 (5130.70)	105.65 (334.30)	6772.70 (5465.00)
Export Sales	5175.62 (4665.60)		5175.62 (4,665.60)
Total Segment Revenue	11842.67 (9796.30)	105.65 (334.30)	11948.32 (10130.60)
<b>RESULT ( Profit / -Loss before Tax, Interest, Non-operating income, exceptional items and Unallocated Expenditure)</b>	1672.09 (1182.71)	-89.18 (48.86)	1582.91 (1231.57)
Operating Profit			1582.91 (1231.57)
Finance Cost			184.63 (238.30)
<b>Profit/ - Loss before Other Income</b>			1,398.28 (993.27)
Add :- Profit on sale of Fixed Assets of Ambernath Factory			0 (612.65)
<b>Profit / - Loss</b>			1398.28 (1605.92)
<b><u>OTHER INFORMATION</u></b>			
Segment Assets	5,802.23 (5,609.07)	117.62 (591.96)	5,919.85 (6,201.03)
Segment Liabilities	2,812.36 (3,594.62)	10.90 (133.31)	2,823.26 (3,727.93)
Capital Expenditure	148.27 (244.19)	0.12 (0.10)	148.39 (244.29)
Depreciation	221.58 (320.85)	22.27 (26.54)	243.85 (347.39)
<b><u>Segment Assets exclude :</u></b>			
Deferred Tax Asset			2654.15 (2654.15)
Current Assets relating to Ambernath / Khemli Units {Note No. XIII (5)}			262.28 (997.60)
<b><u>Segment Liabilities exclude :</u></b>			
Secured Loans			639.31 (1656.40)
Unsecured Loans			2013.04 (2348.93)
Current Liabilities relating to Ambernath / Khemli units {Note No. XI (5)}			293.05 (409.54)

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



# NINETY FOURTH ANNUAL REPORT 2014-15

## Information about Secondary Segments :- Geographical

		for the period ended	
		31.03.2015	31.03.2014
		Rs. in Lacs	
a)	Revenue by Geographical Market		
	India - Chemicals	6667.05	5130.70
	Outside India - Chemicals	5175.62	4665.60
	- Unallocated	105.65	334.30
	Total	11948.32	10130.60
b)	Carrying Amount of Segment Assets		
	India - Chemicals	5210.59	4926.52
	- Unallocated	117.62	591.96
	Outside India - Chemicals	591.64	682.55
	Total	5919.85	6201.03
c)	Addition to Fixed Assets and Intangible Assets *		
	India	175.82	213.96
	Outside India	0.00	0.00
	Total	175.82	213.96

\* excludes Capital Work-in Progress.

## 6 a) Other additional information

		April 2014 to March 2015	April 2013 to March 2014
		Value (Rs.in Lacs)	Value (Rs.in Lacs)
(i)	<b>VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED</b>		
	Raw Materials and Boughtouts:		
	Imported	-	-
	Indigenous	7314.75 (100.00%)	5723.57 (100.00%)
	Stores, Spares and Components:		
	Imported	-	-
	Indigenous	187.53 (100.00%)	237.23 (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.	78.53	124.08
(iv)	<b>EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :</b>		
	Export of goods calculated on FOB basis	4933.65	4390.10

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

	Apr 14/Mar 15	Apr 13/Mar 14
Numerator - Profit / (Loss) after tax & after deducting Preference dividend & tax thereon (Rs. Lacs)	1332.03	1541.57
Denominator - weighted average number of equity shares	21257821	21257821
Basic, as well as diluted, earnings per equity share ( in Rupees )	6.27	7.25



## 7 **Related Parties Disclosures :**

### Name of the Related Parties

- (i) Shri L.N.Goculdas Promoter and Chairman (holding more than 20% of the voting power)
- (ii) Borax Morarji Ltd.
- (iii) The Natural Gas Co.Pvt.Ltd.
- (iv) L.P.Gas Transport & Bottling Co. Pvt.Ltd.
- (v) Phoenix Distributors Pvt.Ltd.
- (vi) Jasraj Trading Co.
- (vii) Kosan Industries Pvt.Ltd.
- (viii) Bombay Foods Pvt.Ltd.
- (ix) Borax Morarji (Europe) GMBH.

### **(C) Key Management Personnel**

<u>Name</u>	<u>Nature of Relationship</u>
(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**

	<b><u>Rs.in lacs</u></b>
Sitting Fees for attending Board and Committee meetings	1.00 (0.45)

### **(E) Transactions with Related Parties**

	<b><u>(Rs. in lacs)</u></b>
(i) <b>Purchase of Goods/Services Received by the Company</b>	
Borax Morarji Ltd.	0.10 (95.83)
L.P.Gas Transport & Bottling Co. Pvt.Ltd.	5.20 (7.78)
Purchase of Fixed Assets - Equipments by the Company from Borax Morarji Ltd.,	- (74.21)
(ii) <b>Sale of Goods/Services Rendered by the Company</b>	
Borax Morarji Ltd.	14.26 (52.83)
Borax Morarji (Europe) GMBH	210.66 (243.54)
(iii) Expenses Reimbursed (Net) by the Company to Borax Morarji Ltd.	6.87
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	77.20 (79.69)
(v) Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Company	38.40 (42.85)
(vi) Closing balance of L.P. Gas & Bott. P. Ltd.included in Current Liability of the Company	1.23 (1.57)
(vii) Closing balance included in Unsecured Loan of the Company	223.80 (523.80)

### **(F) Transactions relating to Key Management Personnel**

	<b><u>Rs.in Lacs</u></b>
(i) Remuneration	67.20 (41.19)
(ii) Rent / HRA paid for residential accommodation / other benefits	17.84 (13.21)
(iii) Unsecured Loan taken by the Company and outstanding as at the year end	1,715.43 (1,715.43)

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

# NINETY FOURTH ANNUAL REPORT 2014-15

## 8 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 31.03.2015, the required data is as follows:

### (i) Continuing Employees :

		Rs. in lacs	
		Apr 14 / Mar 15	
		GRATUITY	LEAVE ENCASHMENT
<b>I</b>	Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2015		
1.	Current Service Cost	14.62	16.10
2.	Interest Cost	17.29	4.08
3.	Past Service Cost (vested benefits)	-	-
3.	Expected Return on plan assets	-	-
4.	Actuarial (Gain) / Losses	(24.43)	(23.50)
5.	Total Expenses	7.48	(3.32)
<b>II</b>	Net Assets / (Liability) recognised in the Balance Sheet as at 31st March 2015		
1.	Present value of Defined Benefit Obligation as at 31st March 2015	175.95	40.04
2.	Fair Value of plan assets as at 31st March 2015	-	-
3.	Funded Status [(Surplus)/(Defecit)]	(175.95)	(40.04)
4.	Net asset / (Liability) as at 31st March 2014	(175.95)	(40.04)
<b>III</b>	Change in Obligation during the period ended 31st March 2015		
1.	Present value of Defined Benefit Obligation at the beginning of the year	215.93	47.38
2.	Current Service Cost	17.29	16.10
3.	Interest Cost	14.62	4.08
3.	Past Service Cost - (Vested Benefits)	-	-
5.	Actuarial (Gain) / Losses	(24.43)	(23.51)
6.	Benefits Payments	(47.46)	(4.01)
7.	Present value of Defined Benefit Obligation at the end of the year	175.95	40.04
<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	47.46	4.01
4.	Actual benefits paid	(47.46)	(4.01)
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%
3.	Mortality Rate	LIC (1994-96)	LIC (1994-96)
<b>(ii)</b>	<b>For Ex-employees</b>	<b>99.67</b>	<b>8.15</b>

9 Figures in respect of the previous year have been regrouped / rearranged wherever necessary

As per our Report of even date attached

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

**RAJESH S. JOSHI**  
Partner  
Membership No.38526

Mumbai, 28th May, 2015

**L.N.GOCULDAS**  
Chairman

**H. T. KAPADIA**  
Director

Mumbai, 28th May, 2015

**D.T. GOKHALE**  
Company Secretary

**D. K. SUNDARAM**  
Chief Finance Officer



# CASH FLOW STATEMENT

for the year ended on 31st March, 2015

Particulars	For the year ended on 31-03-2015 Rs. In Lacs		For the year ended on 31-03-2014 Rs. In Lacs	
<b>A Cash flow from Operating Activities</b>				
Net Profit/(Loss) before Tax		1,398.28		1605.92
Adjustments for				
Add:				
Written Down Value of Assets Scrapped	9.15		9.71	
Depreciation	243.85		347.39	
Interest charged	184.63	437.63	238.30	595.40
Less:				
Dividend Income	0.84		0.84	
Interest income	5.99		11.16	
Profit / (Loss) on sale of fixed assets	-	6.83	612.71	624.71
<b>Operating Profit before working capital changes</b>		1829.08		1576.61
Adjustment				
Add:				
Decrease/ (Increase) in Inventories	(388.97)		(193.16)	
Decrease / (Increase) in Trade Receivables	273.36		(543.90)	
Decrease / (Increase) in Other Current Assets	1,153.96		1067.82	
Increase / (Decrease) in Trade Payable	(319.26)		(49.68)	
Increase / (Decrease) in Short Term Provisions	13.45		(10.02)	
Increase / (Decrease) in Long Term Provisions	(19.22)		(7.75)	
Increase / (Decrease) in Other Current Liabilities	(342.72)	370.60	(568.07)	(304.76)
Add: Income Tax Refund Received	0.00	0.00	0.00	0.00
<b>Cash Generated / (used) in Operating Activities</b>		2199.68		1271.85
<b>B Cash Flow from Investing Activities</b>				
Add:				
Sale of Fixed Assets	0.34		1351.22	
Interest Received	5.99		11.16	
Dividend Received	0.84	7.17	0.84	1363.22
Less:				
Purchase of Fixed Assets	175.80		213.26	
Increase / (Decrease) in Capital Work in Progress	(27.41)		31.03	
Purchase of Investment	7.46	155.85	25.00	269.29
<b>Cash Generated from / (used in) Investing Activities</b>		(148.68)		1093.93

# CASH FLOW STATEMENT

for the year ended on 31st March, 2014

Particulars	For the year ended on 31-03-2015 Rs. In Lacs		For the year ended on 31-03-2014 Rs. In Lacs	
<b>C Cash Flow from Financing Activities</b>				
Add:				
Receipt of New Car Loan from Bank	13.84		326.83	
Receipt of New Project Loan from Bank	170.40	184.24	26.00	352.83
Less:				
Repayment of Intercompany deposits	300.00		93.00	
Interest paid	184.63		238.30	
Repayment of Strategic Investor	1,404.35		2264.75	
Repayment of Bank Car Loan	7.82		-	
Repayment of Working Capital Loan	65.10		-	
Repayment of Bank Term Loans	113.36	2075.26	113.64	2709.69
<b>Cash Generated from / (used in) Financing Activities</b>		<b>(1891.02)</b>		<b>(2356.86)</b>
<b>D Net Cash Increase / (Decrease) in Cash &amp; Bank Balances</b>		<b>159.98</b>		<b>8.92</b>
<b>E Add: Cash &amp; Bank Balances at the beginning of the year</b>				
Cash and Cash Equivalents	97.01		106.89	
Other Bank Balances (Restrictive use)	81.62	178.63	62.82	169.71
<b>F Cash &amp; Bank Balances at the end of the year</b>				
Cash and Cash Equivalents	275.19		97.01	
Other Bank Balances (Restrictive use)	63.42	338.61	81.62	178.63

As per our Report of even date attached

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

**RAJESH S. JOSHI**  
Partner  
Membership No.38526

Mumbai, 28th May, 2015

**L.N.GOCULDAS**  
Chairman

**H. T. KAPADIA**  
Director

Mumbai, 28th May, 2015

**D.T. GOKHALE**  
Company Secretary

**D. K. SUNDARAM**  
Chief Finance Officer



# 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	250293
State Code	11	Investments	3408
Balance Sheet Date	31.03.2015	Deferred Tax Assets	265415
		Current Assets	364513
		Accumulated Losses	346681
<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	1203576
Rights Issue	Nil	Less: Non-recurring Items	14260
Bonus Issue	Nil	Total Expenditure	1049488
Private Placement	Nil	Profit/(Loss) Before Taxation	139828
		Current Tax Expenses	0
		Profit/(Loss) After Taxation	139828
		Earning Per Share - Rs.	6.27
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	(Amount in Rs.Thousands)	<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b>	
Total Liabilities	883629	Item Code No.(ITC Code)	310310.00
Total Assets	883629	Product Description	Single Super Phosphate
		Item Code No.(ITC Code)	280700.01
		Product Description	Sulphuric Acid
		Item Code No.(ITC Code)	280620.00
		Product Description	Chlorosulphonic Acid
<b><u>Sources of Funds:</u></b>			
Paid-up Capital	300578		
Reserves and surplus	352864		
Secured Loans	63931		
Unsecured Loans	201304		
Current Liabilities	311633		



## The Last Ten Years - DMCC LTD.

(Rs. in lacs)

Particulars	Apr 14 - March 15	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
Equity Share Capital	2125.78	2125.78	2125.78	2125.78	2125.78	2125.78	* * 2125.78	* 2084.24	2029.03	2029.03
Preference Share Capital	880.00	880.00	880.00	880.00	880.00	880.00	* * * 880.00	600.00	600.00	600.00
Reserves & Surplus	3528.64	3528.64	3528.64	3528.64	3528.64	165.88	165.88	127.42	67.07	67.07
Gross Sales Turnover	12978.68	10939.65	9345.77	8939.17	4743.72	6584.40	17677.35	28125.53	18415.98	16698.20
Profit/(Loss) before Depreciation/ Amortisation and Taxation	1784.73	1340.66	244.27	87.73	7.19	(2387.21)	(2054.27)	(2486.15)	(23.38)	(512.43)
Depreciation	243.85	347.39	509.96	486.06	415.73	766.58	1078.04	1205.30	764.51	@441.97
Amortisation of Lenders' Sacrifice					70.97	32.26	80.95	54.83	28.89	-
Profit/(Loss) before Exceptional item & Taxation	1540.88	993.27	(265.69)	(398.33)	(479.51)	(3186.05)	(3213.26)	(3746.28)	(816.78)	(954.40)
Exceptional items	(142.60)	@ 612.65	@ 3591.07					@ 139.31		
Profit/(Loss) after Exceptional item & before Taxation	1398.28	1605.92	3325.38	(398.33)	(479.51)	(3186.05)	(3213.26)	(3606.97)	(816.78)	(954.40)
(Increase) / Decrease in Deferred Tax Liability										43.97
Deferred Tax Asset							505.98	2148.17		
Profit/(Loss) after exceptional Item & after considering Deferred Tax Asset / Liability	1398.28	1605.92	3325.38	(398.33)	(479.51)	(3186.05)	(2707.28)	(1458.80)	(816.78)	(910.43)
Provision for Current Year's Taxation					0.02	0.02	18.04	25.05	20.70	0.50
Profit after Taxation	1398.28	1605.92	3325.38	(398.33)	(479.53)	(3186.07)	(2725.32)	(1483.85)	(837.48)	(910.93)
Surplus brought forward From Previous Year	(4824.45)	(6430.37)	(9755.75)	(9357.42)	(8877.89)	(5691.82)	(2966.50)	(1482.65)	(645.17)	24.06
Transferred from General Reserve	-	-	-	-	-	-	-	-	-	241.70
Available for appropriation	-	-	-	-	-	-	-	-	-	-
Equity Dividend	-	-	-	-	-	-	-	-	-	-
Employees' Remuneration and Benefits	635.06	654.55	554.30	563.11	448.42	1713.64	1744.88	2312.84	1320.96	1369.77
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 . 375.72 lacs.

© waiver of dues by banks/financial institutions by one time settlement

© Net Profit on Sale of Assets

[illegible]

[illegible]

# THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/321, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001)

CIN : L24110MH1919PLC000564 Website :www.dmcc.com

e-mail : dgokhale@dmcc.com Phone No.: 022-22048881-2-3 Fax No.: 022-22813657

## PROXY FORM

Name of the Member(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

- Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
Or failing him
- Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
Or failing him
- Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 94<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 23<sup>rd</sup> day of September, 2015 at 11:00 a.m. 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:

Item No.	Description of Resolution	Optional	
		For	Against
1.	Adoption of the audited financial statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2015 and the Reports of the Board of Directors and the Auditors thereon		
2.	To appoint a Director in place of Ms. Mitika Laxmikumar Goculdas (holding DIN 02879174), who retires from office by rotation and being eligible, offers herself for re-appointment.		
3.	Ratification of appointment of Messrs. K. S. Aiyar & Company, Chartered Accountants, holding ICAI Firm Registration Number 100186W, as Statutory Auditors of the Company and fixing their remuneration		
4.	Ratification of Remuneration payable to the Cost Auditor - CMA Shri S. S. Dongare holding ICWA Registration Number 12521 for the Financial Year 2014-15.		

Signed this \_\_\_\_\_ day of August / September, 2015.

Affix  
Revenue  
Stamp of  
₹ 1

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

\_\_\_\_\_  
Signature of Shareholder(s)

### Notes:

- 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 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% 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.
- This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitle to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all joint holder should be stated.



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## ATTENDANCE SLIP

(To be handed Over at the entrance of the Meeting Hall)

Name of the Member(s)/Proxy *(in Block Letters)		
Folio No. For Physical Holding	DP ID / Client ID For Demat holding	No. of Shares.

I hereby record my presence at the 94<sup>th</sup> Annual General Meeting held on Wednesday, the 23<sup>rd</sup> day of September, 2015 at 11:00 a.m. 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. \*Please strike on whichever is not applicable.





## 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

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