



## MEGHMANI ORGANICS LIMITED

**Regd. Office:** Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. – **CIN No. L24110GJ1995PLC024052**

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### NOTICE OF MEETING

**NOTICE IS** hereby given that **Twentieth Annual General Meeting** of the Company will be held on **Monday, 28<sup>th</sup> July, 2014, at 10.00 a.m.** at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015 to transact the following business:-

#### **ORDINARY BUSINESS:**

1. To receive, consider, and adopt :
  - (i) the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2014 together with the report of the Board of Directors and the Auditors thereon; and
  - (ii) the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2014.
2. To declare a dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2014.
3. To appoint a director in place of Mr. Chinubhai R Shah – (DIN 00558310), who retires by rotation and being eligible offers himself for appointment as Independent Director for a period of 5 (Five) years.
4. To appoint a director in place of Mr. B T Thakkar – (DIN 00430220), who retires by rotation and being eligible offers himself for appointment as Independent Director for a period of 5 (Five) years.
5. To appoint auditors and joint auditors and fix their remuneration and in this regard to consider and if thought fit to pass the following resolution with or without modification as **Ordinary Resolution:-**

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**“RESOLVED THAT** Khandwala & Khandwala, Chartered Accountants (Registration No. FRN 107647W) be and is hereby appointed as Auditor under Indian Generally Accepted Accounting Principles (Indian GAAP) and KPMG Chartered Accountants as Joint auditor under International Financial Reporting Standards (IFRS) (For Singapore Stock Exchange Requirements) to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting, at such remuneration as shall be fixed by the Board of directors of the Company.”

**SPECIAL BUSINESS:-**

6. To consider and if thought fit to pass the following resolution, with or without modifications, as an **Ordinary Resolution**:-

**APPOINTMENT OF MR. CHANDER KUMAR SABHARWAL**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other Rules made there under and Clause 49 of the Listing Agreement, Mr. Chander Kumar Sabharwal, who was appointed as an Additional Director of the Company, under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and who holds office till the conclusion of this Annual General Meeting and in respect of whom the Company has received notices in writing from members proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years from 28<sup>th</sup> July, 2014.”

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

**TO AUTHORIZE TO BORROW UP TO RS. 1000 CRORE UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013**

“**RESOLVED THAT** in supersession of the resolution passed at the Annual General Meeting of the Company held on 29<sup>th</sup> July, 2011 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other Rules made there under subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person (s) authorised by the Board) for borrowing any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institution or any other lending institution, firm, body corporate or other person, both in the national and international markets, as may be considered suitable by the Board notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, (that is to say reserves not set apart for specific purpose of the Company from time to time), provided that the total amount so borrowed by the Board shall not at any time exceed **Rs. 1000 Crore (Rupees One Thousand Crore only)** over and above the paid-up capital of the Company and its free reserves at any time.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute or authorise any person to execute all such documents, instruments and writings as may be required for giving effect to the aforesaid resolution.”

8. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:

**AUTHORITY TO CREATE MORTGAGE / CHARGE OVER PROPERTY OF THE COMPANY OF SECTION 180(1)(a) OF THE COMPANIES ACT, 2013**

“**RESOLVED THAT** in supersession of resolution passed at the Annual General Meeting of the Company held on 29<sup>th</sup> July, 2011 on the matter and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act and any Rules made there under subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include any committee constituted by the Board or any person (s) authorised by the Board, to create any kind of mortgage(s), hypothecation(s), pledge(s) and / or charge(s), in addition to the mortgage(s), hypothecation(s), pledge(s) and / or charge(s) already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertakings of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of Lenders such as State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank, Axis Bank, Yes Bank , Kotak Mahendra Bank, and such other Banks, Financial Institutions, Financial Corporations, etc. Agent(s) and Trustee(s), for securing the borrowing of the aggregate of the said sum of **Rs. 1000/- Crore** and the paid-up capital of the Company and its free reserves at any time availed or to be availed by the Company, by way of loans, debentures (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(a) of the Companies Act, 2013 and any Rules made thereunder along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide all terms and conditions in relation to such creation of charge, at their absolute discretion and to do all such acts, deeds and things and to execute or to authorise any person to execute all such documents, instruments and writings as may be required for giving effect to the aforesaid resolution.”

9. To consider and if thought fit to pass the following resolution, with or without modifications, as an **Ordinary Resolution**:-

**AUTHORITY TO CONTRIBUTE TO CHARITABLE AND OTHER FUNDS UNDER SECTION 181 THE COMPANIES ACT, 2013**

“**RESOLVED THAT**, in supersession of resolution passed at the Annual General Meeting of the Company held on 30<sup>th</sup> July, 2007 and subject to the provisions of Section 181 of the Companies Act, 2013 and any Rules made thereunder, for the time being in force, and other applicable provisions, if any, the consent of the Company be and is hereby given by the

Company to the Board of Directors of the Company to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees from time to time in any financial year not exceeding 5% of the average net profits for the three immediately preceding financial years or Rs. 5 Crore whichever is higher."

**"RESOLVED FURTHER THAT** the Board or a duly constituted committee thereof be and is hereby authorized to decide and finalize the amount to contribute to charitable and other funds that may be given or made and to execute or to authorise any person to execute all such documents, instruments and writings as may be required for giving effect to the aforesaid resolution."

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

**AUTHORITY TO GIVE LOAN & MAKE INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

**"RESOLVED THAT**, in supersession of resolution passed at the Annual General Meeting of the Company held on 30<sup>th</sup> July, 2012 and subject to the provisions of Section 186 of the Companies Act, 2013 and any Rules made thereunder, and subject to such approvals, consents, sanctions and permissions, as may be necessary, approval of the Company be and is hereby accorded to (a) give loan to any person or body corporate (b) give any guarantee or provide security in connection with a loan made by any body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate(s) exceeding (i) 60% of the aggregate of paid-up share capital, free reserves and securities premium account; or (ii) 100% of free reserves and securities premium account, whichever is more provided that the aggregate amount of such loan, guarantee, security or acquisition outstanding at any time shall not exceed Rs. 750 crore."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board") or a Committee appointed by it or any person authorised by the Board or such Committee shall be entitled to decide and finalize the terms and conditions (including the amount or limit in respect of each transaction) in connection with such loan, guarantee, security or acquisition within the limit approved as aforesaid."

**"AND RESOLVED FURTHER THAT** the Board, Committee or the person authorized as aforesaid shall be entitled to exercise all such powers and authorities and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary, relevant, usual, customary and/ or expedient for implementing and giving effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** so long as the aggregate outstanding amounts of the loan, guarantee, security or acquisition are at any time within the limit aforesaid, nothing herein contained shall be deemed to restrict the power of the Board to give fresh loans, guarantees or securities or to make fresh acquisitions without the need for any further prior approval for any fresh or additional loan, guarantee, security or acquisition or any variation, extension or renewal thereof or any alteration of any term or condition thereof."

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

**REAPPOINTMENT OF MR. JAYANTI PATEL AS EXECUTIVE CHAIRMAN OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder, and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of **Mr. Jayanti Patel, Executive Chairman** of the Company, for a period of **five years from 1st April, 2014 to 31<sup>st</sup> March, 2019** on the terms and conditions as to remuneration as set out herein below.

1. BASIC SALARY: Rs. 5, 00,000/- Per Month

2. PERQUISITES :

- 1) In addition to Salary he shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
  - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
  - (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
  - (c) Encashment of leave at the end of tenure.
- 2) In addition, the following perquisites shall be paid or made available to Mr. Jayanti Patel :-
  - (a) Leave Travel Assistance to Mr. Jayanti Patel and his family once in a year as per the rules of the Company.

Family means the spouse, the dependent children and dependent parents of Mr. Jayanti Patel.
  - (b) Mediclaim and Personal Accident Insurance Policy as per the rules of the Company.
  - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
  - (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.

- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jayanti Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company.

4. Bonus :

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Jayanti Patel shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance and Control. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and performance based bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Jayanti Patel subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under.”

**“RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Jayanti Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto.”

**“RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provision read with Schedule V of the Companies Act, 2013, subject to approval of Central Government.”

**“RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.

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

**RE - APPOINTMENT OF MR. ASHISH SOPARKAR AS MANAGING DIRECTORS OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder, and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Ashish Soparkar as Managing Director of the Company, for a period of five years with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 on the terms and conditions as to remuneration as set out herein below: -

1. BASIC SALARY: Rs. 5, 00,000/- Per Month
2. PERQUISITES :
  - 1) In addition to Salary, Mr. Ashish Soparkar shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :
    - (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.

- (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
  - (c) Encashment of leave at the end of tenure.
- 2) In addition, the following perquisites shall be paid or made available to Mr. Ashish Soparkar :-
- (a) Leave Travel Assistance to Mr. Ashish Soparkar and his family once in a year as per the rules of the Company.  
  
Family means the spouse, the dependent children and dependent parents of Mr. Ashish Soparkar.
  - (b) Medi-claim and Personal Accident Insurance Policy as per the rules of the Company.
  - (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
  - (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.
  - (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
  - (f) One Month's privilege leave for every eleven months' service.
  - (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ashish Soparkar.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.



2. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company

3. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Ashish Soparkar subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Corporate Affairs and Finance Related matters and selected accounts of international customer. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Ashish Soparkar subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under.”

**“RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Ashish Soparkar shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto.”

**“RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provisions read with Schedule V of the Companies Act, 2013, subject to approval of Central Government.”

**“RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.

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

**RE - APPOINTMENT OF MR. NATWARLAL PATEL AS MANAGING DIRECTORS OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder, and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Natwarlal Patel as Managing Director of the Company, for a period of five years with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 on the terms and conditions as to remuneration as set out herein below: -

1. BASIC SALARY: Rs. 5, 00,000/- Per Month

2. PERQUISITES :

- 1) In addition to Salary, Mr. Natwarlal Patel shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :

- (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
- (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
- (c) Encashment of leave at the end of tenure.

- 2) In addition, the following perquisites shall be paid or made available to Mr. Natwarlal Patel :-

- (a) Leave Travel Assistance to Mr. Natwarlal Patel and his family once in a year as per the rules of the Company.

Family means the spouse, the dependent children and dependent parents of Mr. Natwarlal Patel.

- (b) Medi-claim and Personal Accident Insurance Policy as per the rules of the Company.
- (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
- (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.

- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Natwarlal Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Natwarlal Patel oversees the technical matters of Agro Chemical Divisions as well as the international and domestic Marketing of the Agrochemical products. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Natwarlal Patel subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under.”

**"RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Natwarlal Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto.”

**"RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provisions read with Schedule V of the Companies Act, 2013, subject to approval of Central Government.”

**"RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.

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

**RE - APPOINTMENT OF MR. RAMESH PATEL AS EXECUTIVE DIRECTORS OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Ramesh Patel as Executive Directors of the Company, for a period of five years with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 on the terms and conditions as to remuneration as set out herein below -

1. BASIC SALARY: Rs. 5, 00,000/- Per Month

2. PERQUISITES :

- 1) In addition to Salary Mr. Ramesh Patel shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :

- (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent

these either singly or put together are not taxable under the Income Tax Act.

- (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
  - (c) Encashment of leave at the end of tenure.
- 2) In addition, the following perquisites shall be paid or made available to Mr. Ramesh Patel :-

- (a) Leave Travel Assistance to Mr. Ramesh Patel and his family once in a year as per the rules of the Company.

Family means the spouse, the dependent children and dependent parents of Mr. Ramesh Patel.

- (b) Mediciam and Personal Accident Insurance Policy as per the rules of the Company.
- (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
- (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.
- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Ramesh Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Ramesh Patel subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to overseeing Purchases made by the Company liaising between the Company and Government authorities. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Ramesh Patel subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under.”

**“RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Ramesh Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto.”

**“RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provision read with Schedule V of the Companies Act, 2013, subject to approval of Central Government.”

**“RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to

give effect to this resolution or as may be considered by it to be in the best interest of the Company.”

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

**RE - APPOINTMENT OF MR. ANAND PATEL AS EXECUTIVE DIRECTORS OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and any Rules made thereunder and such other approvals that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Anand Patel as Executive Directors of the Company, for a period of five years with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 on the terms and conditions as to remuneration as set out herein below -

1. BASIC SALARY: Rs. 5, 00,000/- Per Month

2. PERQUISITES :

- 1) In addition to Salary Mr. Anand Patel shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :

- (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
- (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
- (c) Encashment of leave at the end of tenure.

- 2) In addition, the following perquisites shall be paid or made available to Mr. Anand Patel :-

- (a) Leave Travel Assistance to Mr. Anand Patel and his family once in a year as per the rules of the Company.

Family means the spouse, the dependent children and dependent parents of Mr. Anand Patel.

- (b) Mediclaim and Personal Accident Insurance Policy as per the rules of the Company.
- (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.

- (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill for use of car for private purposes.
- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence, at the entire cost of the Company. Personal long distance calls shall be billed by the Company.
- (f) One Month's privilege leave for every eleven months' service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Anand Patel.

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- 3) The Board of Directors or Committee thereof may, in its discretion, from time to time, revise/modify any of the above terms including salary and perquisites which might have the effect of increasing the remuneration so long as such revision/ modification is within the overall permissible limit as contained in Section 197 of the Companies Act, 2013, that is to say, not exceeding 5 % of the net profits of the Company and, if at any time, the Company has more than one director, not exceeding 10 % of the net profits for all such directors and managers taken together.

3. Reimbursement:

Reimbursement of all expenses including entertainment expenses actually and properly incurred in the course of business of the Company

4. Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013. The net profits for the purpose of this clause shall be calculated in accordance with section 198 of the Companies Act, 2013.

5. Other Terms:

Mr. Anand Patel is responsible for over all day to day management of Pigment Division situated at Vatva, Panoli and Dahej and is also looking after the domestic and international sales of Pigment division. He will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Anand Patel



subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013, this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the Companies Act, 2013 or amendment(s) thereto or the Rules and notifications issued there under.”

**"RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Anand Patel shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."

**"RESOLVED FURTHER THAT** in case of inadequacy of Profit /Loss during the period of appointment consent of the shareholders be and is hereby accorded in terms of Section 197(10) of the Companies Act, 2013 for waiver of recovery of excess remuneration paid over and above the limits specified u/s 197 and 198 and other applicable provision read with Schedule V of the Companies Act, 2013, subject to approval of Central Government.”

**"RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, including making application to the Central Government as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide break up of the remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be in the best interest of the Company.”

16. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution**:

**AUTHORITY FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

**"RESOLVED THAT** pursuant to Section 188(1) of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to enter into the transactions with Related Party as set out in the explanatory statement annexed to the Notice convening this meeting.

17. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution**:

**ALTERATION IN ARTICLES OF ASSOCIATION BY ADOPTING A NEW SET OF ARTICLES**

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014(including any statutory modification(s) or re-enactment thereof for the time being inforce),the draft regulation contained in the Articles of Association submitted to this meeting be and hereby approved and adopted and substituted to the entire exclusion of the regulation contained in the existing Articles of Association of the Company.”

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

Registered Office:  
**184, PHASE II,  
GIDC INDUSTRIAL ESTATE,  
VATVA,  
AHMEDABAD 382 445  
Date: 23.05.2014**

By Order of the Board  
**KAMLESH MEHTA  
COMPANY SECRETARY**

**Notes:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

2. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 21<sup>st</sup> July, 2014 to Monday, 28<sup>th</sup> July, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2014.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
6. Final dividend of Rs. 0.10 per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 11<sup>th</sup> August, 2014.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already

registered against their respective folios for payment of dividend are requested to write to the Company.

8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.**
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013 is being sent in the permitted mode.
12. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.meghmani.com](http://www.meghmani.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ahmedabad for inspection during normal business hours on working days.
13. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [helpdesk@meghmani.com](mailto:helpdesk@meghmani.com)
14. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
15. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
16. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.
17. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company or Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.

18. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be, as per Section 125 of the Companies Act, 2013, transferred to the Investor Education and Protection Fund established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund

19. **GREEN INITIATIVE:**

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Transfer Agent of the company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

The annual report and other communications/documents sent electronically would also be displayed on the Company's website: [www.meghmani.com](http://www.meghmani.com). As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.

20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (4.00 pm to 6.00 pm) on all working days except Saturday, Sunday and Public Holiday, up to and including the date of the Annual General Meeting of the Company.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES  
ACT, 2013**

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**ITEM NO. 6**

Mr. Chander Kumar Sabharwal aged 65 is BA Honors (Economics) and has studied Law & Management. He has worked as Senior Management Trainee (SMT Scheme) & Executive with DCM (Now Shriram Group) from 1970 to 1974, Part of founding group of HCL in 1975 and Managing Agrochemical Public Ltd Company from 1974 onwards

Mr. Chander Sabharwal has held various positions as under:-

- Director on the Board of Oriental Bank of Commerce, New Delhi from 2005 - 11
- Director on the Board of Crop Care Federation of India - 1985 – 2009
- Executive Member, All India Bio Technology Association of India (AIBA)
- Managing Director, Crop Health Products Ltd, New Delhi (1975 – date), Agrochemicals.
- Partner, R K Associates, (Dusseldorf – US – India), M&A Advisors

Mr. Chander Sabharwal is successfully managing family business Crop Health Products Ltd – involved from multi sites in manufacturing & marketing of Agrochemicals in Punjab, Haryana, UP, J&K, HP, Rajasthan, Gujrat, MP, and Chhattisgarh & Orissa. The Public Ltd Company is 47 years, the peak turnover of which reached US\$ 17 million. Associated with many International Companies such as Bayer, BASF, Monsanto, IFFCO, etc.

Mr. Sabharwal's insights into Rural India, Customers, Markets & Mandis, Distribution, Brand building and Credit Management would be immense help to the company.

Mr. Sabharwal was appointed as additional director on 02 August, 2013 and as per Section 161 of the Act he holds the office up to the date of forth coming Annual General Meeting.

As required under Section 160 of the Companies Act, 2013, the Company has received a Notice from the Members proposing name of Mr. Chander Sabharwal as candidates for the office of the Director.

Your Directors recommend the resolution for your approval.

Except Mr.Chander Sabharwal, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested or concerned, financially or otherwise, in the resolution.

**ITEM NO. 7**

The Company had passed the resolution on 29<sup>th</sup> July, 2011 under Section 293(1) (d) of the Companies Act, 1956 to authorize the Board of Directors to borrow up to **Rs. 1000 Crores** (excluding temporary loans obtained from the Company's bankers in the ordinary course of business for working capital).

Section 180 (1) (c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a

special resolution. Accordingly Section 293 (1) (d) under the Companies Act, 1956 has been now replaced by Section 180 (1)(c) and (2) of Companies Act, 2013.

The Banks and financial institutions require the authorization of borrowing by way of resolutions passed under the Companies Act, 2013. The Board of Directors therefore recommend to pass the resolutions under Section 180 (1)(c), Section 180 (2) and other applicable provisions of the Companies Act, 2013 without any change in borrowing powers of **Rs. 1000 Crore** (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) approved by the members under the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

### **ITEM NO. 8**

The Company had passed the resolution on 29<sup>th</sup> July, 2011 under Section 293(1) (a) of the Companies Act, 1956 and had authorized the Board of Directors to mortgage and/ or charge all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company up to **Rs. 1000 Crores** to secure borrowings of the Company in certain events of default.

Section 180 (1) (a) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the consent of the Company be accorded by way of a special resolution for creating mortgages, charges, hypothecation and other encumbrances on all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking (s) of the Company. Accordingly Section 293 (1) (d) under the Companies Act, 1956 has been now replaced by Section 180 (1)(a) and (2) of Companies Act, 2013.

The Banks and financial institutions require that resolutions be passed authorizing Board under the Companies Act, 2013 to create charge and/ or mortgage on the property of the Company. The Board of Directors therefore recommend passing the resolutions under the Section 180 (1)(a) and (2) of Companies Act, 2013 without any change to mortgage and/or or charge up to **Rs. 1000 Crore** approved by the members under the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

### **ITEM NO. 9**

The shareholders at Extra Ordinary General Meeting of the company held on 28<sup>th</sup> March, 1995, had authorized the Board of Directors to make the donations up to Rs. 50,00,000.

With the increase in business operation and profitability the said limits needs to be revised. The Board of Directors therefore recommends authorizing the making of donations not exceeding the limits prescribed under the Companies Act, 2013 from time to time or Rs. 5 Crore whichever is higher.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution

**ITEM NO. 10**

The Company had passed the resolution on 30th July, 2012 under Section 372A of the Companies Act, 1956 and had authorized the Board of Directors to advance loan/ give guarantee/Security/make investment up to 60% of the Paid –up share capital and free reserves of the Company or 100% of the free reserves of the Company or Rs. 750 Crore which ever is more.

Section 372 (a) under the Companies Act, 1956 has been now replaced by Section 186 of Companies Act, 2013 effective from 1<sup>st</sup> April, 2014.

The proposed resolution is therefore placed for the purpose of fulfilling the conditions laid down in Section 186 of the Companies Act, 2013 and authorizing to make the loan up to Rs. 750 Crore.

Your Directors recommend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the proposed resolution.

**ITEM NO. 11 to 15**

The present term of the following directors have expired on 31 March, 2014. The Managerial remuneration Committee at its meeting held on 07<sup>th</sup> May, 2014 has resolved to re-appoint them from 01 April, 2014 for a period of five years as mentioned against their name in the table and approved terms of remuneration upto 31<sup>st</sup> March, 2019.

The Remuneration Committee at its meeting held on 07<sup>th</sup> May, 2014 and Board at its meeting held on 23 May, 2014 has approved the re-appointment subject to approval of the members.

(1) Re-appointment

<b>Name</b>	<b>Designation</b>	<b>Re-appointment Period up to</b>	<b>Director Identification No.</b>	<b>Basic Salary per month Rs.</b>
Mr. Jayanti Patel	Executive Chairman	31.03.2019	00027224	500,000
Mr. Ashish Soparkar	Managing Director	31.03.2019	00027480	500,000
Mr. Natwarlal Patel	Managing Director	31.03.2019	00027540	500,000
Mr. Ramesh Patel	Executive Director	31.03.2019	00027637	500,000
Mr. Anand Patel	Executive Director	31.03.2019	00027836	500,000

(2) PERQUISITES :

In addition to Salary Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh patel and Mr. Anand Patel shall be eligible for the following perquisites which

shall not be included in the computation of the Ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :

- (a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
- (b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.
- (c) Encashment of leave at the end of tenure.

In addition, the following perquisites shall be paid to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel -

- (a) Leave Travel Assistance: Once in a year with family as per the rules of the Company. Family means the spouse, the dependent children and dependent parents.
- (b) Mediclaim and Personal Accident Insurance Policy as per the rules of the Company.
- (c) Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.
- (d) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
- (e) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence at the entire cost of the Company. Personal long distance calls be billed by the Company.
- (f) One Month's privilege leaves for every eleven-month's service.
- (g) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel .

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

- (3) The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.
- (4) Reimbursement:



Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company

(5) Bonus :-

Performance based Bonus calculated on the basis of Net Profit at the end of each financial year and approved by the Board and that the payment of Performance based Bonus should not exceed the ceiling of remuneration prescribed under Section 198 of the Companies Act, 2013.

(6) Other Terms:

(a) Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company.

(b) They will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

(c) The Board of Directors shall increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in absolute discretion deem fit subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(d) in case of inadequacy of Profit or Loss during the period of appointment, the remuneration payable to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall be as per limit prescribed in Schedule V of the Companies Act 2013.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel of the Company are concerned or interested in the proposed resolution

**ITEM NO. 16**

Pursuant to the first proviso of Section 188 (1) of the Companies Act, 2013, as our paid up capital is more than Rs. 1 Crore, no contract or arrangement can be entered in to with a related party for any item specified in sub section (1) except with the prior approval of the general meeting by special resolution. The Company had taken the Central Government approval under old companies Act, 1956. With the change in proviso under the New Companies Act, 2013, the approval is sought for the arrangement of Purchase and Sales of Pigment and Agrochemicals on order to order basis with related parties as per the details given in table placed herein below for a period of three years.

Name of the party	Nature of Interest/ Relationship	Nature of Transaction	Value of estimated transaction per annum
1) Meghmani Organics USA Inc. - Trading Company	Subsidiary	Sale of Pigments	Rs. 50 Crore

2) Meghmani Europe BVBA - Trading Company	Subsidiary	Sale of Pigments / Agrochemicals	Rs. 30 Crore
3) Meghmani Overseas FZE - Trading Company	Subsidiary	Sale of Pigments / Agrochemicals	Rs. 5 Crore
4) P T Meghamni Indonesia Trading Company	Subsidiary	Sale of Pigments / Agrochemicals	Rs. 5 Crore
5) Meghmani Finechem Limited	Subsidiary	Purchase of Caustic/ Chlorine	Rs. 30 Crore
6) Tapsheel Enterprises	Directors hold more than 2%	Sale of Pigments	Rs. 2 Crore
7) Vidhi Global Chemicals Limited	Directors Relatives hold more than 2%	Sale of Pigments	Rs. 2 Crore
8) Meghmani Unichem LLP	Directors Relatives hold more than 2%	Sale of Pigments	Rs. 2 Crore
9) Meghmani Chemicals Limited – Trading Company	Directors hold more than 2%	Purchase and Sale of Pigments	Rs. 2 Crore
10) Meghmani Industries Limited	Directors hold more than 2%	Purchase and Sale of Pigments	Rs. 2 Crore
11) Meghmani Dyes and Intermediates Limited	Directors hold more than 2%	Purchase and Sale of Pigments	Rs. 2 Crore
12) Meghmani Pigments	Directors hold more than 2%	Purchase and Sale of Pigments	Rs. 15 Crore
13) Ashish Chemicals – including EOU Unit - II	Directors hold more than 2%	Purchase and Sale of Pigments	Rs. 10 Crore
14) Matangi Industries	Directors hold more than 2%	Purchase of Pigments	Rs. 2 Crore

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel of the Company are concerned or interested in the proposed resolution.

#### **ITEM NO. 17**

The Articles of Association (“AoA”) of the Company as presently in force since the Company was incorporated in 1995 and amendment there to was carried out on 15<sup>TH</sup> April, 2000 and 30<sup>th</sup> march, 2004 . The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 13, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 sections for implementation. Subsequently, on March 26, 2014, notified those provisions which require sanction/confirmation of the National Company Law Tribunal (“Tribunal”) such as variation of rights of holders of different classes of shares (Section 48), reduction for Share Capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to the Investor Education and Protection Fund (Section

125). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in Special Resolution.

The Board commends the Special Resolution for approval by the shareholders.

Registered Office:

**184, PHASE II ,  
GIDC INDUSTRIAL ESTATE,  
VATVA,  
AHMEDABAD 382 445**

**Date: 23.05.2014**

CIN :- L24110GJ1995PLC024052

helpdesk@meghmani.com

By Order of the Board

**KAMLESH D MEHTA  
COMPANY SECRETARY**