

## **GHARDA CHEMICALS LIMITED**

Regd. Office: 48 Hill Road, Bandra (W), Mumbai – 400 050.  
CIN: U24110MH1967PLC013688

### **NOTICE**

NOTICE is hereby given that the 52<sup>nd</sup> Annual General Meeting of the Members of Gharda Chemicals Limited will be held on Saturday, 15<sup>th</sup> Day of September 2018 at 11.30 a.m. at the registered office of the Company at Gharda House, 48, Hill Road, Bandra (W), Mumbai – 400050, to transact the following business:

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#### **ORDINARY BUSINESS**

1. To receive, consider, and adopt:
  - a. The Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon; and
  - b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, and the report of the Auditors thereon.
2. To confirm the payment of the Interim Dividend and to declare a Final Dividend for the year ended 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Mrs. Almitra.H.Patel (DIN: 00960457), who retires by rotation and being eligible offers herself for re-appointment.

#### **SPECIAL BUSINESS**

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

Re-Appointment of Dr.Keki H. Gharda as Managing Director of the company.

“RESOLVED THAT pursuant to Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, including any statutory modifications, re-enactment thereof for the time being in force and subject to the approval of the Central Government, if required, the Company hereby approves the appointment and terms of remuneration of Dr.Keki H. Gharda(DIN: 00437172) as Whole Time Director designated as Managing Director of the Company for a period of 5 years with effect from 15<sup>th</sup> June, 2018, on the terms and conditions as set out in the agreement dated 25<sup>th</sup> July, 2018 between the Company and Dr.Keki H. Gharda, with liberty to Board of Directors to revise or alter the same, from time to time, subject to the maximum limits prescribed in Schedule V including any statutory modification or re-enactment thereof for the time being in force, as may be decided by the Board.”

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

Re-Appointment of Mr.Diwakar K Shenoy as Whole Time Director of the company.

“RESOLVED THAT pursuant to Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, including any statutory modifications, re-enactment thereof for the time being in force and subject to the approval of the Central Government, if required, the Company hereby approves the appointment and terms of remuneration of Mr.Diwakar K Shenoy(DIN: 05155840) as Whole Time Director designated as Director – Factory Operations of the Company for a period of 3 years with effect from 13<sup>th</sup> December, 2017, on the terms and conditions as set out in the agreement dated 25<sup>th</sup> July, 2018 between the Company and Mr.Diwakar K Shenoy, with liberty to Board of Directors to revise or alter the same, from time to time, subject to the maximum limits prescribed in Schedule V including any statutory modification or re-enactment thereof for the time being in force, as may be decided by the Board.”

6. To consider and, if thought fit, to pass with or modification(s) the following resolution as an Ordinary Resolution:

Remuneration to Cost Auditors:

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s GMVP & Associates LLP, Cost Accountants, appointed as Cost Auditors by the Board of Directors of the company, to conduct the audit of the cost accounting records of the company for the Financial Year ending 31<sup>st</sup> March, 2019, be paid a remuneration of Rs. 3,80,000/- (Rupees Three Lacs Eighty Thousand Only).

RESOLVED FURTHER THAT the Directors of the company and/or the Company Secretary, be and are hereby severally authorised to do all such acts and take all such steps as may be necessary to give effect to this resolution.

By Order of the Board of Directors

SD/-

Michael Raj

Company Secretary.

Mumbai : 25<sup>th</sup> July, 2018.

**Notes:**

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed need not be a member of the Company. The proxies to be effective should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting. 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. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of items of Special business is annexed hereto.
- The members are requested to bring their copies of Annual Report along with them to the meeting.
- Members are requested to send their queries, if any, on the audited Balance Sheet and the Statement of Profit and Loss, to the Company well in advance so that the information is kept ready at the time of Annual General Meeting.
- Members holding shares may nominate in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of nomination facility in their own interest.
- Details of Directors seeking re-appointment at the forthcoming Annual General Meeting are given below:

Particulars	Mrs.Almitra H Patel	Dr.Keki H Gharda	Mr.Diwakar K Shenoy
DIN	00960457	00437172	05155840
Date of Birth	01/03/1936	25/09/1929	23/10/1962
Age	82	88	56
Date of first appointment	13/12/2007	06/03/1967	13/12/2011
Qualifications	B.Sc. -Chemistry, B.S. General Engineering & M.S. - Ceramics	M.S (Chemical Engineering) Ph.D. (Chemical Engineering)	B.E. (Chemical Engineering) Dip. in Industrial Management.
Terms and conditions of appointment or re-appointment.	N.A.	Re-appointment for a period of 5 years upto 14 <sup>th</sup> June, 2023 (Please refer Item No. 4 of the Notice)	Re-appointment for a period of 3 years upto 12 <sup>th</sup> Dec, 2020 (Please refer item No.5 of the Notice)
Details of remuneration last drawn (F.Y.2017-18)	Sitting Fees: Rs.4.00 Lacs	Rs. 844.58 Lacs	Rs. 193.41 Lacs.
Directorship in other companies.	Nil	1. Gharda Medical & Advanced Technologies Foundation. 2. Gujarat Insecticides Ltd. 3. Gharda Scientific Research Foundation 4. Gharda Research Foundation.	NIL
Membership / Chairmanship of Committees in other Companies.	NIL	Gujarat Insecticides Limited – Chairman of CSR committee and Member of NRC committee.	NIL
No. of Board meeting attended during the year.	3	4	4
No of shares held.	1941	2094	NIL

## ANNEXURE TO THE NOTICE

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

#### Item No. 4

At the 47<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September, 2013, the shareholders had approved the re-appointment and terms of remuneration payable to Dr.K.H.Gharda, Managing Director for a period of 5 years effective from 15<sup>th</sup> June, 2013.

The Board at its meeting held on 25<sup>th</sup> July, 2018, based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 25<sup>th</sup> July, 2018 approved the re-appointment of Dr.K.H.Gharda as Managing Director for a further period of 5 years from 15<sup>th</sup> June, 2018, subject to the approval of the shareholders on the following terms and conditions:

- 1 Dr.K.H.Gharda is re-appointed as Managing Director for a period of 5 years commencing from June 15, 2018.
- 2 Dr.K.H.Gharda is entrusted with substantial powers of management as are permissible under the provisions of the Articles of Association of the Company and the Companies Act.
- 3 The Company will pay Dr.K.H.Gharda in consideration of the performance of his duties the following remuneration, subject to maximum prescribed under Section 197 of the Companies Act, 2013 and Schedule V thereunder:-
  4. The company will pay Dr.K.H.Gharda in consideration of the performance of his duties.
    - (a) Gross Annual Salary : Rs.1,20,00,000/-  
(Rs. One CroreTwenty Lacs p.a.)
    - (b) Housing Accommodation
    - (c) Perquisites.
      - (i) Provision for use of the Company's car for official duties and telephone at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
      - (ii) Dr.K.H.Gharda shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above.
        - (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act.
        - (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
        - (c) Encashment of leave at the end of the tenure.
    - (d) Commission:-  
In addition to the salary and perquisites commission not exceeding 5% of the profits.

The remuneration shall be in accordance with Schedule V to the Companies Act, 2013, as may be amended from time to time.

4. Dr.K.H.Gharda to be entitled to the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time.
5. Where in any financial year the company has no profits or profits are inadequate, the company shall make an application to the Central Government for payment of the remuneration in terms of the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time.
6. As long as Dr.K.H.Gharda functions as Managing Director, no sitting fee to be paid to Dr.K.H.Gharda for attending the meetings of the Board of Directors or Committee thereof.
7. Dr.K.H.Gharda not to retire by rotation whilst he continues to hold that office.
8. The Company shall be entitled to terminate the employment of Dr.K.H.Gharda forthwith if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company.
9. In case of Dr.K.H.Gharda's death in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable for the then current month together with any such further sum as the Board in its sole discretion may determine.
10. The company acknowledges that Dr. Gharda owns and shall continue to own any inventions that he has invented or conceptualised / invents or conceptualises in the future during the tenure of his engagement as a Managing Director of the Company and the Company shall not claim any ownership of the such inventions unless such inventions are specifically assigned to the Company. It is hereby clarified any inventions of Dr. Gharda which are used by the company are and shall be pursuant to a permission / license granted by Dr. Gharda and the Company shall not have any right, title or interest therein. Dr. Gharda shall be entitled to apply for patents and obtain patents in his own name for his inventions.
11. The terms and conditions of the said appointment and / or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit. The terms and conditions of the appointment and remuneration shall be in accordance with the relevant clauses of the Articles of Association and sections 196, 197 and other relevant provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, and as may be amended from time to time.
12. In the event of loss of office, the Managing Director shall be entitled to receive compensation in accordance with the provisions of section 191 & Section 202 of the Companies Act, 2013 and other applicable provisions, if any.

A copy of the Agreement entered into with Dr.K.H.Gharda is available for inspection of the members.

Dr.K.H.Gharda is an eminent Scientist and has been the Managing Director of the Company since incorporation and has contributed immensely to the growth of the company. The approval of the Shareholders by way of a special resolution is required in view of Dr.K.H.Gharda having crossed the age of 70 years as prescribed in Clause (c) of Part I of Schedule V of the Companies Act 2013.

Dr.K.H.Gharda may be deemed to be concerned or interested in this resolution as it relates to his own re-appointment as Managing Director.

None of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

The Board recommends the passing of the proposed resolution.

## **Item No. 5**

The shareholders at their annual General Meeting held on 28<sup>th</sup> November, 2015 had approved the re-appointment of Mr.D.K.Shenoy as Whole Time Director designated as Director – Factory Operations for a period of 3 years with effect from 13<sup>th</sup> December, 2014 to 12<sup>th</sup> December, 2017.

The Board of Directors at their meeting held on 25<sup>th</sup> July, 2018, based on the recommendation of the Nomination and Remuneration Committee meeting held on 18<sup>th</sup> April, 2018 approved the re-appointment of Mr. Shenoy for a further period of 3 years from 13<sup>th</sup> December, 2017, subject to the approval of the shareholders on the following terms and conditions:

1. Mr.Diwakar K Shenoy is re-appointed as Whole Time Director designated as “Director – Factory Operations” for a period of 3 (three) years commencing from 13<sup>th</sup> December, 2017, or till the cessation of his employment with the Company, whichever is earlier.
2. Mr.Diwakar K Shenoy will be responsible for all the factory related operations of the company and all its plants and other activities of the company with the object of optimizing them and perform such duties and exercise such powers as are entrusted to him by the Managing Director.
3. Mr.Diwakar K Shenoy will devote his whole time and attention to the business of the company.
4. The company will pay Mr.Diwakar Shenoy in consideration of the performance of his duties.
  - (a) Gross Annual Salary : Rs. 110,88,000/-
  - (b) Incentive/Commission : At the discretion of the Board of Directors.
  - (c) Perquisites:
    - (i) Personal Accident / Mediciclaim Insurance : As per prevailing practice of the company.
    - (ii) Leased Car/Driver : As applicable to Senior Management Employees (M1) of the Company.
5. Annual increments shall be in accordance with the Rules of the Company and as decided by the Managing Director of the Company. The remuneration shall be in accordance with Schedule V to the Companies Act, 2013, as may be amended from time to time.
6. Mr.Diwakar K Shenoy is entitled to Earned / Privilege Leave as per the rules and regulations of the company.
7. Mr.Diwakar K Shenoy will be entitled to :-
  - (a) the reimbursement of expenses actually and properly incurred by Mr.Diwakar K Shenoy in the course of the legitimate business of the company in accordance with the rules and regulations of the company in force from time to time or as may be approved by the Managing Director; and
  - (b) the reimbursement of traveling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the company in accordance with the rules and regulations of the company in force from time to time or as may be approved by the Managing Director.
8. Where in any financial year the company has no profits or profits are inadequate, the company shall make an application to the Central Government for payment of the remuneration in terms of the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time.
9. As long as Mr.Diwakar K Shenoy functions as “Director – Factory Operations”, no sitting fee shall be paid to him for attending the meetings of the Board of Directors or Committees thereof.

10. Mr.Diwakar K Shenoy shall retire by rotation.
11. Mr.Diwakar K Shenoy will not divulge or disclose to any person any secret or confidential information relating to the business or affairs of the company or any trade secrets or secret processes.
12. The company will be entitled to terminate this agreement forthwith if Mr.Diwakar K Shenoy becomes insolvent or makes any composition or arrangement with his creditors.
13. Either party shall be entitled to terminate the Agreement by giving to the other party 2 months notice in writing without showing any cause.
14. The terms and conditions of the said appointment and / or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit. The terms and conditions of the appointment and remuneration shall be in accordance with Schedule V to the Companies Act, 2013, as may be amended from time to time.
15. The Agreement represents the entire agreement between the company and Mr.Diwakar K Shenoy and cancels and supercedes all prior agreements, arrangements or understandings between the company and Mr.Diwakar K Shenoy.

A copy of the Agreement entered into with Mr.Diwakar K Shenoy is available for inspection of the members.

Mr.D.K.Shenoy is a chemical engineer and has been in employment of the company since December 1987. He is also designated as "Occupier" of all the manufacturing units of the company in accordance with the Factories Act, 1948.

Mr.D.K.Shenoy may be deemed to be concerned in this resolution as it relates to his own appointment as Director – Factory Operations of the company.

None of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

The Board recommends the passing of the resolution.

**Item No. 6**

In pursuance of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/sGMVP & Associates LLP, Cost Accountants, were appointed as Cost Auditor by the Board of Directors of the company, to conduct the audit of the cost accounting records of the company for the financial year ending 31<sup>st</sup> March, 2019 at a remuneration of Rs. 3,80,000/- (Rupees Three Lacs Eighty Thousand Only).

In accordance with the provisions of the said Act and Rules, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the company.

The Board recommends the passing of the proposed resolution.

No Director, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

By Order of the Board of Directors.

SD/-

Michael Raj

Company Secretary.

Mumbai: 25<sup>th</sup> July, 2018.

**GHARDA CHEMICALS LIMITED**

Regd. Office: 48 Hill Road, Bandra (W), Mumbai – 400 050.

CIN: U24110MH1967PLC013688

**Form No. MGT - 11**

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s) \_\_\_\_\_.

Registered Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Folio No: \_\_\_\_\_

I/We, being the Member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1	Name:		E-mail Id:	
	Address:		Signature:	

Or failing him/her

2	Name:		E-mail Id:	
	Address:		Signature:	

Or failing him/her

3	Name:		E-mail Id:	
	Address:		Signature:	

as my / our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 52<sup>nd</sup> Annual General Meeting of the Company to be held on Saturday, 15<sup>th</sup> day of September 2018 at 11.30 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr No	Resolutions
1	Receive, consider and adopt: a) The Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon; and b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018, and the report of the Auditors thereon.
2	Confirm the payment of Interim Dividend and declare a Final Dividend for the year ended 31 <sup>st</sup> March, 2018.
3	Appointment of a Director in place of Mrs.Almitra Patel (00960457), who retires by rotation and being eligible offers herself for re-appointment.
4	Re-Appointment of Dr.K.H.Gharda as Managing Director of the Company.
5	Re-Appointment of Mr.D.K.Shenoy as Whole Time Director of the Company
6	Remuneration of M/s GMVP & Associates LLP, Cost Accountants for the financial year ending 31 <sup>st</sup> March, 2019.

\_\_\_\_\_  
Signature of 1<sup>st</sup> Proxy Holder.

\_\_\_\_\_  
Signature of 2<sup>nd</sup> Proxy Holder

\_\_\_\_\_  
Signature of 3<sup>rd</sup> Proxy Holder.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2018.

Affix  
Revenue  
Stamp

Signature of Shareholder(s)

**Note: 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.**