


BODAL CHEMICALS LIMITED

Reg. Office : Plot No. 123 & 124, Phase-I, G.I.D.C.,
Vatva, Ahmedabad-382 445.

NOTICE

NOTICE is hereby given that an **EXTRA ORDINARY GENERAL MEETING** of the Members of the **Bodal Chemicals Limited** will be held on **Saturday, the 23rd March, 2013 at 11.00 A.M.** at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business :

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the existing Authorized Share Capital of the Company is Rs.34,00,00,000/- (Rupees Thirty Four Crore) comprising of Rs.30,00,00,000 (Rupees Thirty Crore) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of Rs.2/- (Rupees Two) each and Rs.4,00,00,000 (Rupees Four Crore) divided into 40,00,000 (Forty Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each be and is hereby reclassified into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 2/- (Rupees Two) each and 1,00,00,000 (One Crore) Preference Shares of Rs 10/- (Rupees Ten) each, aggregating to Rs.34,00,00,000/- (Rupees Thirty Four Crore).

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby replaced by inserting the following para as Clause V:

- V. “The Authorized Share Capital of the Company is Rs.34,00,00,000/- (Rupees Thirty Four Crore) comprising of Rs.24,00,00,000 (Rupees Twenty Four Crore) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs.2/- (Rupees Two) each and Rs.10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Preference Shares of Rs. 10/- (Rupees Ten) each.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Committee thereof be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and settle any question that may arise in this regard.”

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

“RESOLVED THAT pursuant to Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 34,00,00,000 (Rupees Thirty Four Crore) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 2/- (Rupees Two) each and 1,00,00,000 (One Crore) Preference Shares of Rs 10/- (Rupees Ten) each to Rs. 49,00,00,000 (Rupees Forty Nine Crore) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 2/- (Rupees Two) each and 2,50,00,000 (Two Crore and Fifty lacs) Preference Shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby replaced by inserting the following para as Clause V :

- V. “The Authorized Share Capital of the Company is Rs.49,00,00,000/- (Rupees Forty Nine Crore) comprising of Rs.24,00,00,000 (Rupees Twenty Four Crore) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs.2/- (Rupees Two) each and Rs.25,00,00,000 (Rupees Twenty Five Crore) divided into 2,50,00,000 (Two Crore and Fifty lacs) Preference Shares of Rs. 10/- (Rupees Ten) each.”

RESOLVED FURTHER THAT for the purpose of giving the effect to this resolution, the Board of Directors or Committee thereof be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and settle any question that may arise in this regard.”

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

“RESOLVED THAT pursuant to the provisions of Sections 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the Board), the Board of Directors of the company be and is hereby authorised to create, offer, issue and allot from time to time in one or more tranches, upto 2,50,00,000 (Two Crore and Fifty Lacs) 9% Non Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten) each (“Preference Shares”) redeemable at any time after 10 years but before 20 years from the date of allotment of Preference Shares, to various persons/entities including Promoters / Promoter Group whether or not they are member(s) of the Company, with such rights and privileges and on such terms and conditions including but not limited as to the redemption period, manner of redemption, amount of premium, early redemption, if any, and to modify, alter and re-set all or any of the said terms from time to time, as may be decided by the Board at its absolute discretion deemed appropriate.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

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

“RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Ankit S. Patel, as Executive Director of the company for a further period of three (3) years with effect from 24th May, 2013 to 23rd May, 2016 on the terms & conditions and remuneration as set out below :

(1) Basic Salary : Rs. 1,00,000/- per month.

(2) Perquisites :

In addition to Salary, the following perquisites shall be allowed to him.

Category A

Housing :

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture :

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession :

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees :

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B :

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment :

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone :

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Ankit S. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Executive Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

**By order of the Board
FOR, BODAL CHEMICALS LIMITED**

**Ashutosh B. Bhatt
Company Secretary**

Date : 11th February, 2013
Place : Ahmedabad.

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of himself. Proxies, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the meeting.
2. Members/ Proxy holder must bring the Attendance Slip to the Meeting and hand it over at the entrance duly signed.
3. The Memorandum of Association and Articles of Association of the Company and all other documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection of Members on all working days excluding Bank holidays and Sundays from 11 am to 1 pm at the registered office of the Company up to the date of the Extraordinary General Meeting of the Company.
4. The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business under the accompanying Notice are annexed hereto.
5. The brief profile of Mr. Ankit S. Patel, Executive Director of the company, is as follows :

Name of the Director	Mr. Ankit S. Patel
Date of Birth	1-11-1982
Date of Initial Appointment	24-5-2008
Qualification	Bachelor in Economics, MBA (Finance)
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Bodal Agrotech Ltd. Sun Agrigenetics Pvt. Ltd.
Specific Functional Areas/Experience	He has more than 4 years experience. He has been giving his valuable services as Executive Director of the company. He has contributed significantly in development of Sulphuric Acid plant of the company. He is young and dynamic personality.
*Chairmanship / Membership of Committee(s) of Director of the Company	Nil
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil
Shareholding in the company as on 11-2-13 & percentage of paid up capital	37,86,550 (3.47%)

* Committees include Audit Committee, Remuneration Committee and Shareholders' Grievances Committee.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and forming part of the Notice convening the Extra-Ordinary General meeting of the Company**Item No.1 & 2.**

The Company, in order to strengthen its financial position, is required to generate long term resources by issuing Preference Shares. The existing Authorised Capital of the company consists of Equity and Preference Shares but the same is not adequate for the proposed issue of preference share capital. Therefore, to enable company to issue new preference shares, it is deemed appropriate to reclassify the existing Authorised Capital between Equity Share Capital and Preference Share Capital and also to increase the Authorised Preference Share Capital of the Company and for that purpose, the Memorandum of Association of the Company is required to be suitably altered as set out at item No. 1 and 2 of the accompanying Notice.

The provisions of the Companies Act, 1956 require the Company to seek the approval of the Members for reclassification as well as for Increase of the Authorised Share Capital and for the alteration of capital clause of the Memorandum of Association of the Company.

The Board of Directors accordingly recommends the resolutions set out at Item No. 1 and 2 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

Item No.3.

Your Company is presently engaged in the manufacturing of Dyes, Dye Intermediates and Basic Chemicals. The company needs additional funds for the purpose of strengthening the long-term resource base of the Company including long term working capital requirement and/or capital expenditure and/or repayment of loan/Interest and/or general corporate purposes. There is also a requirement to infuse funds in the company, as per one of the conditions for implementation of Corporate Debt Restructuring (CDR) package, which was approved and its letter has been received by the company from CDR cell. Hence, the Board of Directors has considered and recommended for shareholders' approval for issue of preference shares to meet financial requirements of the company and to comply with the condition of the said sanctioned CDR package.

The proposed Special Resolution set out at Item No. 3 is an enabling Resolution authorizing the Board of Directors (including any committee thereof for the time being exercising the powers of the Board) to raise resources by issue of upto 2,50,00,000 (Two Crore and Fifty lacs) 9% Non Cumulative Redeemable Preference Shares of face value of Rs.10/- (Rupees Ten) each ("Preference Shares"). The Preference Shares may be issued on such terms and conditions including but not limited as to the period and manner of redemption, amount of premium, early redemption, if any, as the Board in its absolute discretion may determine.

The Preference Shares may be issued in one or more tranches to the various entities/persons which may include the Promoter/Promoter Group on private placement basis. The Board shall also be authorized to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time to time in consultation and agreement with the subscribers/ holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

The Preference Shares shall rank in priority to Equity Shares for repayment of Capital and payment of Dividend. The Preference Shares shall be transferred in the same manner as Equity Shares.

Pursuant to provisions of Section 81 and other applicable provisions of the Companies Act, 1956 and the Listing Agreement entered into with the Stock Exchanges, any offer or issue of shares in a company to persons other than the shareholders of the company requires prior approval of the Members in general meeting by way of a Special Resolution. The consent of the Members is therefore sought to authorize the Board to issue Preference Shares as aforesaid.

The Board of Directors of the Company recommends the resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution except to the extent of preference shares that may be issued to them.

Item No.4.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 24th May, 2008 had appointed Mr. Ankit S. Patel as Executive Director of the company for the period of Five (5) years with effect from 24th May, 2008 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Annual General Meeting held on 30th September, 2008 in terms of sections 198,269,309 and other applicable provisions of the Companies Act, 1956. His term ending on 23rd May, 2013. His re-appointment as Executive Director is permissible in accordance with the provisions of Schedule XIII to the Companies Act, 1956, if his re-appointment is approved by the members in General Meeting.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 11th February, 2013 has approved re-appointment of Mr. Ankit S. Patel as Executive Director of the company for a further period of three years from 24th May, 2013 to 23rd May, 2016.

Mr. Ankit S. Patel is part of promoter group of the company. He is son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of business of the company. It is highly beneficial for the company to avail his valuable services for further development of the company by re-appointing him as Executive Director of the company for the further period of three (3) years with effect from 24th May, 2013 on such terms and conditions and remuneration as set out in resolution no.4 of the accompanying notice.

None of the Directors other than Mr. Ankit S. Patel, himself and Mr. Suresh J. Patel and Mr. Bhavin S. Patel, relatives of him, are interested in the resolution of Item No.4.

The approval of members is required for said re-appointment and payment of remuneration. Your Directors, therefore, recommend special resolution for approval of the members.

**By order of the Board
FOR, BODAL CHEMICALS LIMITED**

**Ashutosh B. Bhatt
Company Secretary**

Date : 11th February, 2013
Place : Ahmedabad.



Reg. Office : Plot No. 123 & 124, Phase-I,
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ATTENDANCE SLIP

EXTRA ORDINARY GENERAL MEETING – Saturday, 23rd March, 2013 at 11.00 A.M.

Folio No./DP ID : _____

Client ID : _____

No. of shares held : _____

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the Extra Ordinary General Meeting of the Company, held at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009. Gujarat, on Saturday, 23rd March, 2013 at 11.00 A.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)



Reg. Office : Plot No. 123 & 124, Phase-I,
G.I.D.C., Vatva, Ahmedabad-382 445.

PROXY FORM

EXTRA ORDINARY GENERAL MEETING – Saturday, 23rd March, 2013 at 11.00 A.M.

I/ We _____ of _____ of being a member/members of the above named Company hereby appoint _____ of _____ or failing him/her _____ of _____ in my/ our absence to attend and vote for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held Saturday on 23rd March, 2013. at 11.00 A.M. and any adjournment thereof.

Date :

L.F.No. _____

DP ID : _____ Client ID : _____

No. of Shares held : _____

Affix
Rs. 1.00
Revenue
Stamp

sign across the revenue stamp

Notes : The proxy form duly completed should be deposited at the Registered Office of the company before 48 hours of the meeting.

Book-Post

To,

If undelivered, please return to :



BODAL CHEMICALS LIMITED

**Reg. Office : Plot No. 123 & 124, Phase-I,
G.I.D.C., Vatva, Ahmedabad-382 445.**