



## ASHAPURA MINECHEM LIMITED

Jeevan Udyog Building, 278, 3<sup>rd</sup> Floor, Dr. D. N. Road, Fort, Mumbai – 400 001.

### POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any of the Companies Act, 2013 (Act) read with Rule 22 of Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) to the Members of Ashapura Minechem Limited that the resolutions appended below are proposed to be passed by the Members as Special/Ordinary Resolution(s) by way of Postal Ballot/E-voting. The Explanatory Statement pertaining to the aforesaid resolutions to be annexed to the Notice under Section 102 (1) of the Act setting out the material facts concerning each item and reasons thereof is appended herewith and is being sent to the Members along with a Postal Ballot Form for consideration.

The Board of Directors of your Company has appointed Mr. Sudeshkumar V. Joshi, Proprietor of M/s. Sudeshkumar & Associates, Chartered Accountants, Mumbai, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The Members are requested to carefully read the instructions printed on the Postal Ballot Form and the Notice and return the duly completed Form indicating your assent (FOR) / dissent (AGAINST) in the enclosed self-addressed business reply envelope, so as to reach the Scrutinizer on or before the close of business hours i.e. 5.00 p.m. on Thursday, 27<sup>th</sup> November, 2014, the last date for receipt of the completed Postal Ballot Forms. The postage on the enclosed business reply envelope shall be borne and paid by the Company. Please note that any postal ballot form(s) received after the said date will be strictly treated as if no reply has been received from the Member. No other form or photocopy thereof is permitted.

#### E-voting Option:

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Postal Ballot Notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

The Scrutinizer will submit the report to the Board of Directors of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot will be announced on Monday, 1<sup>st</sup> December, 2014 at 4.00 p.m. at the Registered Office of the Company at **Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai-400001**. The aforesaid result shall also be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers and displayed along with the Scrutinizer's Report on the Company's website viz. [www.ashapura.com](http://www.ashapura.com).

The Resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

#### SPECIAL BUSINESS:

##### Item No. 1: Borrowing Powers of the Company:

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

**"RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification or re-enactment thereof for the time being in force), the Rules notified thereunder and the Articles of Association of the Company, 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 thereof for the time being exercising the powers conferred on the Board by this resolution) to borrow from time to time, for the purpose of the Company's business, such sum or sums of money, which together with the monies already borrowed by the Company and remaining outstanding (apart from temporary loans obtained or to be obtained from the Company's bankers in ordinary course of business) shall exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total outstanding money so borrowed shall not at any time exceed the limit of Rs. 1000 Crores (Rupees One Thousand Crores Only)."

**"RESOLVED FURTHER THAT** the Board and/or Committee of the Board be and is hereby authorized to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

##### Item No. 2: Creation of charge / mortgage etc. on Company's movable or immovable properties:

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

**"RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification or re-enactment thereof for the time being in force), the Rules notified thereunder, the Articles of Association of the Company and such other approvals as may be necessary, 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 thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board/Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding the limit approved under Section 180(1)(c) of the Companies Act, 2013 together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the

Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/Loan Agreements/Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings."

**"RESOLVED FURTHER THAT** the Board and/or Committee of the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages/charges/hypothecation aforesaid and to give effect to the aforesaid Resolution."

**Item No. 3: Appointment of Whole Time Director & Chief Executive Officer (CEO) of the Company:**

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

**"RESOLVED THAT** Shri Rajnikant Pajwani (DIN 00086007), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 1<sup>st</sup> October, 2014, in terms of Section 161(1) of the Companies Act, 2013 and the existing Articles of Association of the Company and whose term of office expires at the next Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

**"RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of recommendation of the 'Nomination and Remuneration Committee' and as approved by the Board of Directors, the Company hereby approves the appointment of Shri Rajnikant Pajwani (DIN 00086007) as the Whole Time Director & Chief Executive Officer of the Company, for a period of three years with effect from w.e.f. 1<sup>st</sup> October, 2014, upon such terms and conditions including remuneration as are set out in the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to the Postal Ballot Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the duly authorised Committee of the Board including the Nomination & Remuneration Committee) to alter and vary the terms and conditions of the said appointment, including the remuneration which shall not exceed an overall ceiling of Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month, as may be agreed to between the Board and Shri Rajnikant Pajwani."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/consent from the concerned/ appropriate authorities, as may be required in this regard."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri Rajnikant Pajwani including the components of the remuneration payable to him."

**Item No. 4: Adoption of New set of Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded to the alteration of Articles of Association of the Company by way of substituting the existing set of Articles of Association by a new set of Articles of Association in accordance with the Table F of Schedule I to the Companies Act, 2013."

**"RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorised to sign and execute any papers/ document/forms etc. and to undertake/arrange filing of such papers/document/forms etc. with the statutory authorities, including but not limiting to the Registrar of Companies and to do or cause to be done all such acts, deeds or things as may be required or deemed expedient to implement this resolution."

**By Order of the Board of Directors**

**Sd/-  
Sachin Polke  
Company Secretary & Vice President**

**Mumbai, 14<sup>th</sup> October, 2014**

**Registered Office:**

Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278,  
Dr. D. N. Road, Fort, Mumbai – 400 001

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (Act) setting out material facts in respect of all the businesses specified above is annexed hereto.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/Records of Depositories on 17<sup>th</sup> October, 2014. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on that date.
3. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement entered into with Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with National Securities Depository Limited for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Members have option to vote either through e-voting or through the physical Postal Ballot Form. E-voting is optional.

If a member has opted for e-voting, then he/she is not required to vote by physical Postal Ballot also and vice-versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.

4. The Company has appointed Mr. Sudeshkumar V. Joshi, Proprietor of M/s. Sudeshkumar & Associates, Chartered Accountants, Mumbai for conducting the Postal Ballot process in a fair and transparent manner.
5. As per the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with Depositories or the Company or the Registrars and Transfer Agent viz. M/s. Link Intime India Pvt. Ltd. are being sent Notice of Postal Ballot by e-mail and through Speed Post and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot alongwith Postal Ballot Form through speed post only. Members who have not received Postal Ballot Notice and Postal Ballot Form may download the same from the link viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or from the Company's website [www.ashapura.com](http://www.ashapura.com).
6. The members who are voting through physical Postal Ballot form must return the same duly completed in the attached self-addressed postage pre-paid Business Reply Envelope. An unsigned Postal Ballot Form will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted. The Postal Ballot(s) may also be deposited personally. The Postal Ballot(s) should reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Thursday, 27<sup>th</sup> November, 2014 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
7. In case, shares are jointly held, for the members voting through physical Postal Ballot Form, this form should be completed and signed (as per the specimen signature registered with the Company/Depository Participants) by the first named Member and in his/her absence, by the next named Member and for the members voting through electronic means, e-voting to be done by the first named member and in his/her absence by the next named member.
8. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority Letter together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form, in case the voting is done in the physical form. In case the said members are voting through electronic means, they are requested to send the aforesaid documents together with the specimen signature of authorized signatory to the scrutinizer through e-mail at [sudeshvjoshi@gmail.com](mailto:sudeshvjoshi@gmail.com) and with a copy marked to [e-voting@nsdl.co.in](mailto:e-voting@nsdl.co.in).
9. A member may request for duplicate Postal Ballot Form, if so required. However, the duly filled in and signed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified in instruction No. 6 above. Unsigned Postal Ballot form shall be rejected.
10. For member voting through the physical Postal Ballot form, a tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form.
11. The vote (through physical/e-voting) in this Postal Ballot Process cannot be exercised through proxy.
12. The Scrutinizer will submit his report to the Board of Directors after scrutiny of the Postal Ballot forms and voting by the members through electronic means and the result of the Postal Ballot shall be declared by any of the Directors of the Company on Monday, 1<sup>st</sup> December, 2014 at 4.00 p.m. at the Registered Office of the Company at Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai-400001. The resolutions will be taken as passed effectively on the date of announcement of the result in writing, if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution. Members, who wish to be present at the venue at the time of declaration of the result, may do so. The result of the Postal Ballot shall also be announced through newspaper advertisement and shall be posted on the website of the Company [www.ashapura.com](http://www.ashapura.com) besides communications to the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.
13. Resolutions passed by the members through Postal Ballot are deemed to have been passed effectively at an Extra Ordinary General Meeting of the Members of the Company. The Ordinary Resolution shall be declared as passed with a simple majority and the Special Resolution shall be declared as passed if the number of votes cast in favour of the Special Resolution is not less than three times the number of votes cast against the Special Resolution.
14. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of declaration of the result of Postal Ballot.
15. Members may also note that the Notice of Postal Ballot will also be available on the Company's website i.e. [www.ashapura.com](http://www.ashapura.com) for their downloading.
16. Members are requested to fill in the Postal Ballot Form in indelible ink and not in any erasable writing mode.
17. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.

#### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act"):**

##### **Item nos. 1 & 2:**

##### **Borrowing Powers of the Company and Creation of charge/ mortgage etc. on Company's movable or immovable properties:**

The Shareholders of the Company had, at the Annual General Meeting held on 24<sup>th</sup> September, 2008, by way of Ordinary Resolution, authorised the Board of Directors of the Company to:

- (i) borrow monies under Section 293(1)(d) of the Companies Act, 1956 upto an amount of Rs. 1000 Crore at any point of time.
- (ii) create mortgage/charge to secure the said borrowings on all or any of the moveable and/or immovable properties of the Company under Section 293(1)(a) of the Companies Act, 1956.

However, with the commencement of the Companies Act, 2013, the Board can exercise the power to borrow the money, where money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in ordinary course of business only with the consent of the Company by way of Special Resolution (Section 180(1)(c) of the Act).

Further, as per provisions of Section 180(1)(a) of the Act, approval of the shareholders by way of Special Resolution is required for creation of charge for securing the said borrowings.

The Board of Directors at its meeting held on 14<sup>th</sup> October, 2014 approved the limits on borrowing powers of the Company so that that the total outstanding money so borrowed shall not at any time exceeds the limit of Rs. 1000 Crores. Further, the proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities/trustees

for the holders of the said securities as mentioned in the Resolution at Item No. 2. It is therefore necessary to pass a Special Resolution under Section 180(1)(a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding the limit approved under Section 180(1)(c) of the Act.

It is, therefore, proposed to seek the approval of the Shareholders for the said borrowings and creation of a mortgage/charge for the said borrowing by way of a Special Resolutions pursuant to Sections 180(1)(c) and 180(1)(a) of the Act, respectively.

The Board of Directors of your Company recommends the Special Resolutions at Item Nos. 1 and 2 of the accompanying Notice for the approval of the Members of the Company through Postal Ballot.

None of the Directors, Promoters, Manager or any other Key Managerial Personnel and their respective relatives is concerned or interested in the said Resolutions, either financially or otherwise, except to the extent of their shareholding in the Company, if any.

### **Item no. 3:**

#### **Appointment of Whole Time Director & Chief Executive Officer (CEO) of the Company:**

The Agreements entered into by the Company with Shri Navnital Shah (DIN 00018945), Executive Chairman and Shri Chetan Shah (DIN 00018960), Managing Director were due to expire at the close of office hours on 30<sup>th</sup> September, 2014.

Shri Navnital Shah, due to his prolonged illness and frequent hospitalization, has not been able to attend his office and the meetings of the Board of Directors/Committees and the Members for almost 1 year. The Company has not received any formal communication from Shri Navnital Shah in respect of his resumption of his office, duties or on his intention to continue as an Executive Chairman of the Company. After considering the same and also his age and health conditions and in the personal interest of Shri Navnital Shah and in the best interest of the Company, the Board of Directors, after considering the recommendations of the Nomination and Remuneration Committee, thought it advisable to relieve him from his duties as Executive Chairman and considered not to renew his agreement for the position of Executive Chairman. However, it was decided that he shall continue to remain as Non-Executive Director on the Board of the Company.

Further, Shri Chetan Shah, Managing Director, considering the recommendation of the Nomination & Remuneration Committee; decided to infuse fresh vision/idea into the Company and has decided not to renew his agreement for the position of Managing Director. However, Shri Chetan Shah shall continue to remain as the Non-Executive Director on the Board of the Company.

In view thereof, the Board of Directors of the Company at its meeting held on 29<sup>th</sup> September, 2014, on recommendation of the Nomination and Remuneration Committee, considered the proposal to induct an experienced professional from the mining & mineral processing industry who shall be independent of promoter(s)/promoters group. Accordingly, Shri Rajnikant Pajwani (DIN 00086007) who has over 3 decades of expertise in the field of mining, mineral processing, resource & business development was co-opted as an Additional Director on the Board of the Company and appointed as "Whole Time Director & Chief Executive Officer" of the Company w.e.f. 1<sup>st</sup> October, 2014 subject to the approval of the shareholders of the Company.

Shri Rajnikant Pajwani aged 65 years is a mechanical engineer by qualification. He is endowed with expertise in aspects of mining, mineral processing, projects, logistics, resource development and business development by virtue of his over three decades of rich and varied experience in the mining and mineral processing industry. Having spent a better part of his professional career with the Ashapura Group, Shri Rajnikant Pajwani has played a pivotal in widening the resource base of the Group within India and overseas both through green filed applications and through brown filed acquisitions.

Shri Rajnikant Pajwani's global expertise in regulatory and policy aspects of the mining industry coupled with his techno-commercial acumen would make him a welcome addition to the august Board of Directors of Ashapura Minechem Ltd.

Pursuant to Section 161 of the Companies Act, 2013, Shri Rajnikant Pajwani holds office as Director up to the date of the next Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member signifying the intention to propose the candidature of Shri Rajnikant Pajwani as a Director of the Company. Further, pursuant to provisions of Section 196 of the Companies Act, 2013, approval of the shareholders is required for his appointment as Whole Time Director & Chief Executive Officer and terms & conditions of his appointment & remuneration. Pursuant to provisions of Section 203 of the Companies Act, 2013, he is appointed as Key Managerial Personnel of the Company.

#### **STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO SHRI RAJNIKANT PAJWANI, WHOLE TIME DIRECTOR & CHIEF EXECUTIVE OFFICER:**

- I. General Information:
  1. Nature of Industry:  
The Company is engaged in business of Mining and Mineral Processing Industry.
  2. Date or expected date of commencement of commercial production:-  
The Company is already in production for more than 3 decades.
  3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not applicable, as the Company is an existing one.
  4. Financial performance based on given indicators:  
The Company has been declared 'Sick Company' under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 by the Board for Industrial & Financial Reconstruction (BIFR) vide its order dated 20<sup>th</sup> March, 2012 based on the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2011. The Company has submitted draft Rehabilitation Scheme (DRS) which is under discussion.

Further, the Company is facing applications for enforcement of ex-parte awards passed in respect of three Contracts of Affreightment for USD 126.07 million. The Company is contesting these applications for enforcement of ex-parte awards passed outside India at appropriate Indian courts.

The Company resumed export of Bauxite after grant of ad-interim relief from the Supreme Court of India, whereby the Government of Gujarat gave conditional permission in favour of certain mine owners to resume bauxite sales. The Company is coming out of the difficult phase and has started showing the better results. Further, the Company has also been negotiating with the shipping companies to settle their issues and it is expected to resolve such issues in due course.

Financial Performance:

(Rs. In Lacs)

<b>Ashapura Group (Consolidated)</b>			
	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>
Net Sales / Income from Operations	1,08,322.07	77,191.85	65,259.99
Less: Total Expenditure	93,366.10	70,364.42	63,232.93
Profit /(Loss) from Operations before Dep., Other Income and Exceptional Items	14,955.97	6,827.43	2,027.06
Less: Depreciation	2,568.09	2,579.64	2,791.27
Profit /(Loss) from Operations before Other Income and Exceptional Items	12,387.88	4,247.79	(764.21)
Add: Other Income	566.02	1,437.57	1,116.18
Profit/(Loss) before Exceptional & Extra-ordinary Items and Tax	12,953.90	5,685.36	351.97
Exceptional Items	5,453.14	(725.31)	(3,170.79)
Extra-ordinary Items	-	-	-
Profit /(Loss) before tax	18,407.04	4,960.05	(2,818.82)
Tax Expenses			
Current Tax	924.15	641.15	549.48
Earlier Year's Tax	(85.38)	(81.74)	(14.40)
Deferred	150.86	9.38	16.02
Net Profit / (Loss)	17,417.41	4,391.26	(3,369.92)
Minority Interest	(1.00)	(0.87)	(0.63)
Share of Profit/(Loss) in Associate Company	4.71	23.94	6.16
Net Profit / (Loss) of Group	17,421.12	4,414.33	(3,364.39)

## II. Information about Shri. Rajnikant Pajwani:

### 1. Background details:

Shri Rajnikant Pajwani has a Diploma in Mechanical Engineering from Sir Bhavsinhji Polytechnic Institute, Bhavnagar, Gujarat. He has more than three decades of rich experience in the field of Mining, Mineral Processing, Resource & Business Development. He was associated with the Ashapura Group in various capacities for over 3 decades and retired from the services of the Ashapura Minechem Ltd. as "Vice President-Resource Development" in April, 2014. Prior to taking over the charge as Whole Time Director & CEO at the Company, Shri Rajnikant Pajwani was appointed as a Consultant- Resource Development for Bombay Minerals Ltd., wholly owned subsidiary of the Company.

### 2. Past remuneration:

Shri Rajnikant Pajwani was entitled to a Consultancy Fee of Rs. 36,00,000 (Rupees Thirty Six Lakh only) per annum.

### 3. Job profile and his suitability:

The job profile of the Whole Time Director & CEO of the Company includes overall supervision and control of the Company's activities and in particular to attend to all matters concerning production, planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.

### 4. Remuneration proposed:

Following are the details of the remuneration proposed to be paid to Shri. Rajnikant Pajwani, Whole Time Director & CEO: -

Consolidated Salary, Perquisites & Allowances, etc- Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month or such other sum as may be approved by the Nomination and Remuneration Committee/Board of Directors of the Company within the limits as prescribed under Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

In addition to the above, he shall be entitled to receive the following: -

- a) Contribution to Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company.
- b) Encashment of leave at the end of tenure.
- c) Provision of car for use on Company's business.
- d) Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The remuneration payable to Shri. Rajnikant Pajwani is fully justifiable and comparable to that prevailing in the industry, keeping in view of the profile and the position and his enriched knowledge & experience in this Industry. He shall be looking after and responsible for the whole affairs of the management of the Company and shall be accountable to the Board of Directors of the Company.

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

As stated above, Shri Rajnikant Pajwani has retired from the services of the Ashapura Minechem Limited as Vice President-Resource Development. Post retirement, he was appointed as a Consultant-Resource Development by Bombay Mineral Ltd., wholly owned subsidiary of the Company.

Apart from this, Shri Rajnikant Pajwani does not have any relationship with the Promoters, Managerial Personnel and the Management of the Company.

### III. Other Information:

#### 1. Reason for loss or inadequate profits and Steps taken or proposed to be taken for improvement:

The Board for Industrial & Financial Reconstruction (BIFR) vide its order dated 20th March, 2012 declared the Company as 'Sick Company' under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 based on the Audited Financial Accounts for the year ended 31st March, 2011.

Based on the various meetings with the Operating Agency appointed by BIFR viz. Bank of India and subsequent revisions, the Company has presented a revised Draft Rehabilitation Scheme (DRS) and the same is under discussion amongst various concerned lenders for finalization.

The Company may be required to follow any operational, administrative or financial directives envisaged in the scheme or as stipulated by BIFR.

The Company continues to face applications for enforcement of ex-parte awards passed in respect of three Contracts of Affreightment entered into by the Company with the Shipping Companies; these applications for enforcement of ex-parte awards passed outside India are being contested by the Company at appropriate Indian courts. The Company, without admitting claims of the shipping companies, made appropriate provisions in the annual accounts.

In the financial year 2012-13, the Company got the much awaited push with the ad-interim relief granted by the Hon. Supreme Court, whereby the Government of Gujarat gave conditional permissions in favour of certain mine owners to resume bauxite sales. The Company along with its subsidiaries then resumed the Export of Bauxite despite working capital constraints. This much awaited and needed boost has helped the Company to achieve a good top line with steady profitability. The Company continued with the sale of Bauxite from Gujarat in the financial year 2013-14 and the continued sale of Bauxite allowed the Company to increase its revenue from operations on a standalone basis by about 39% higher as compared to the financial year 2012-13; similarly, the consolidated revenues from operations increased by around 40%. Your company's Profit After Tax (Before extraordinary items) rose to Rs.9,008 Lakhs on a Stand-alone basis and to Rs. 11,964 Lakhs (before extraordinary items) on a consolidated basis.

Your Company is one of the most integrated player in the 'Industrial Minerals' business of India and it is persistently working on diversifying and developing its product portfolio by adding more value added products from its mine resources.

The draft Agreement containing terms & conditions of the appointment of the Whole Time Director & CEO proposed to be entered into between the Company and Shri. Rajnikant Pajwani is available for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of declaration of the result of Postal Ballot.

The Board of Directors of the Company recommends the Resolution to be passed as an Ordinary Resolution as set out in Item No. 3 of the accompanying Notice for approval of the members through Postal Ballot.

None of the Directors, Promoters, Manager or any other Key Managerial Personnel and their respective relatives is concerned or interested in the said Resolution, either financially or otherwise, except to the extent of their shareholding in the Company, if any, other than Shri Rajnikant Pajwani who is concerned or interested in the said resolution as it is relating to his own appointment.

#### **Item no. 4:**

##### **Adoption of New set of Articles of Association of the Company:**

The existing set of Articles of Association of the Company is based on the Companies Act, 1956. With the enactment of the new Companies Act, 2013 and rules framed thereunder, the provisions of Companies Act, 1956 are getting repealed in a phased manner. The regulations in the existing Articles contain references to the specific sections of the Companies Act, 1956.

In view of the above, the Board of Directors of the Company thought it advisable to wholly replace the existing Articles of Association by a new set of Articles. The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

The proposed new draft Articles of Association is available for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of declaration of the result of Postal Ballot.

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 4 of the accompanying Notice for approval of the members through Postal Ballot.

None of the Directors, Promoters, Manager or any other Key Managerial Personnel and their respective relatives is concerned or interested in the said Resolution, either financially or otherwise, except to the extent of their shareholding in the Company, if any.

**By Order of the Board of Directors**

**Sd/-  
Sachin Polke  
Company Secretary & Vice President**

**Mumbai, 14<sup>th</sup> October, 2014**

**Registered Office:**

Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278,  
Dr. D. N. Road, Fort, Mumbai – 400 001

**Details of Shri. Rajnikant Pajwani, Whole Time Director & CEO  
pursuant to Clause 49 of the Listing Agreement**

<b>Name of Director</b>	<b>Shri Rajnikant Pajwani (DIN 00086007)</b>
<b>Date of Birth</b>	22 <sup>nd</sup> January, 1949
<b>Qualification</b>	Diploma in Mechanical Engineering
<b>Brief Profile &amp; Expertise in specific functional areas</b>	<p>Shri. Rajnakant Pajwani is a mechanical engineer by qualification. He is endowed with expertise in aspects of mining, mineral processing, projects, logistics, resource development and business development by virtue of his over 3 decades of rich and varied experience in the mining and mineral processing industry.</p> <p>Having spent a better part of his professional career with the Ashapura Group, Shri. Rajnikant Pajwani has played a pivotal in widening the resource base of the Group within India and overseas both through green filed applications and through brown filed acquisitions.</p> <p>Shri. Rajnikant Pajwani's global expertise in regulatory and policy aspects of the mining industry coupled with his techno-commercial acumen would make him a welcome addition to the august of Board of Directors of Ashapura Minechem Ltd.</p>
<b>Directorship in other Public Companies</b>	<ol style="list-style-type: none"> <li>1. Ashapura Volclay Ltd.</li> <li>2. Prashansha Ceramics Ltd.</li> </ol>
<b>Chairmanship / Membership of the Committees of the Board*</b>	NIL
<b>No. of shares held in the Company as on 31.03.2014</b>	41,800 Equity Shares