



INDOKEM LIMITED

51st
Annual Report

2016-17



APPEAL TO SHAREHOLDERS

In order to save trees and environment by cutting down the consumption of costly paper habits, the Ministry of Corporate affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies through electronic mode including service of notice/documents including Annual Report can be sent by email to its members. In accordance with the circular no. 17/2011 dated 21/04/2011 and circular no. 18/2011 dated 29/04/2011 issued by the Ministry, Companies had started the practice of sending various notices and documents, including documents for Annual General Meeting and Annual Report, to its shareholders through electronic mode, whose e- mail addresses are registered with the Company. In such case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an opportunity to every member to register their email address and changes therein, if any, from time to time with the Company. To be a part of Green Initiative in the Corporate Governance, Indokem Limited has started to send documents like the notices for convening the General Meeting and Annual Reports in electronic form, to the email addresses of those members which are available in the Register of Members of the Company. **To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concern Depository Participants. Members who hold shares in physical form are requested to register their email addresses to the Company or its Registrar and Share Transfer Agents (RTA).**

You are kindly requested to send an email to sharexindia@vsnl.com or/and iklsecretarial@gmail.com in order to register your email ID with Name of first holder, Folio No. /DP ID and Client ID. Members are further requested to provide copy of their PAN Card, Aadhar Card, bank details, contact number and address with proof, if there is any change.

On registration, all the communication will be sent to the email ID registered in the Folio/DP ID and Client ID to save time and to save trees.

We are sure you would appreciate the "Green Initiative" taken by MCA and as a responsible citizen you will whole heartedly support this initiative.

This move by the Ministry will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. We are sure that you would appreciate the "Green Initiative" taken by MCA and Indokem's desire to participate in such initiatives. Please contact the followings:

REGISTRAR & SHARE TRANSFER AGENT:	SECRETARIAL DEPT.
Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Estate, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072. Email: sharexindia@vsnl.com	INDOKEM LIMITED Plot No: 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016. Tel No.: +91-22- 6123 6711 / 6123 6767 Email: iklsecretarial@gmail.com Website: www.indokem.co.in

INDOKEM LIMITED

BOARD OF DIRECTORS:

Shri. Mahendra K. Khatau
Mr. Manish M. Khatau
Smt. Asha M. Khatau
Shri. Kailash Pershad
Shri. S. Rajagopalan
Shri. B. G. Sontakke

Chairman & Managing Director
Whole-Time Director
Non- Executive Director
Non – Executive Independent Director
Non – Executive Independent Director
Non – Executive Independent Director

KEY MANAGERIAL PERSONNEL:

Shri. Mukund R. Nagpurkar
Ms. Rupal B. Parikh
Mr. Bhavik. B. Parekh

Chief Financial Officer (Resigned w.e.f. 31st July, 2017)
Chief Financial Officer (Appointed w.e.f. 8th Aug., 2017)
Company Secretary & Compliance Officer
(Resigned w.e.f. 19th June, 2017)
Company Secretary & Compliance Officer
(Appointed w.e.f. 8th June, 2017)

Mr. Rajesh D. Pisal

AUDITORS:

M/s. Sheth Doctor and Associates

BANKERS:

HDFC Bank Ltd.
Axis Bank Ltd.
Bank Of India
Indian Overseas Bank

REGISTRAR & SHARE TRANSFER AGENT:

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Estate,
Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072.
Email: sharexindia@vsnl.Com
Website: www.sharexindia.Com

REGISTERED OFFICE:

Plot No: 410/411, Khatau House,
Mogul Lane, Mahim (West)
Mumbai - 400 016.
Tel No.: +91-22- 6123 6767 / 6123 6711
Email: iklsecretarial@gmail.com
Website: www.indokem.co.in

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Annual General Meeting (AGM)

Day, Date & Time: Friday, 29th September, 2017 at 4:00 P.M.

Venue: Citylight Banquets Hall, 4th Floor, Ashford Chambers, Citylight Cinema, L. J. Road, Mahim (West), Mumbai – 400 016.

Indokem Limited

(CIN : L31300MH1965PLC013088)

Regd. Office : Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016.**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **FIFTY FIRST Annual General Meeting** of the members of the Company will be held on Friday, 29th September, 2017 at 4.00 P.M. at Citylight Banquets Hall, 4th Floor, Ashford Chambers, Citylight Cinema, L. J. Road, Mahim (West), Mumbai – 400 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31st March, 2017 including the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss and the Cash Flow Statement as on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s) as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Articles of Association, CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number - 101961W/W100036) be and is hereby appointed as the Statutory Auditors of the Company to hold office for five consecutive years from the conclusion of the 51st Annual General Meeting till the conclusion of the 56th Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and the Board of Directors of the Company be and is hereby authorised to fix their remuneration."

SPECIAL BUSINESS:

4. Approval for revision in remuneration of Chairman and Managing Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s) as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the 49th Annual General Meeting of the Company held on 21st December, 2015, approval of the Company be and is hereby accorded for revision in the remuneration payable to Shri. Mahendra K. Khatau (DIN: 00062794), Chairman and Managing Director of the Company with effect from 1st October, 2017 for the remaining period of his tenure as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri. Mahendra K. Khatau, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by the resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution".

5. Approval for Transactions with the Related Parties under Section 188 of Companies Act, 2013, and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s) as an **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for entering into related party transactions with the parties and upto the limits as stated herein below:

Maximum value of Contract/ Transaction (per annum)				(₹ In Crores)
Sr. No.	Name of Related Parties	Transaction defined u/s 188 of Companies Act, 2013		
		Sale, purchase or supply of any goods, material	Leasing of property of any kind	Availing or rendering of any services or Appointment of any agent for purchase or sale of goods, materials, services or property
On actual basis, exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the Company)				
1.	Samudra Dye-Chem Private Limited	3	0.25	5
2.	Spiweld Chemtrade Private Limited	3	0.25	5
3.	Textomax Chemicals Private Limited	3	0.25	5
4.	Formost Chemicals Private Limited	3	0.25	5
5.	Chemron Texchem Private Limited	3	0.25	5
6.	Priyamvada Holdings Limited	3	0.25	5
7.	Asha Marine Products Private Limited	1	0.25	1
8.	Emerald Capital Services Private Limited	1	0.25	1
9.	Vindhyapriya Holdings Private Limited	1	0.25	1
10.	Khatau Leasing & Finance Company Private Limited	1	0.25	1
11.	Prism Plantations Private Limited	1	0.25	1
12.	Khatau Holding & Trading Company Private Limited	1	0.25	1
13.	Prerana Leasing & Finvest Private Limited	1	0.25	1
14.	MKK Holdings Private Limited	1	0.25	1
15.	Priyanilgiri Holdings Private Limited	1	0.25	1
16.	Refnol Resins & Chemicals Limited	10	0.25	1
PARTNERSHIP FIRMS:				
1.	Orchard Acres	10	0.25	1
Directors/ KMPs/ Relatives of Directors & KMPs/ Other Firms & Companies in which Directors have some interest as per the provisions of section 2 (76) of the Companies Act, 2013.				
1.	Shri. Mahendra K. Khatau	-	0.25	10
2.	Smt. Asha M. Khatau	-	0.25	3
3.	Mr. Manish M. Khatau	-	0.25	5
4.	Ms. Priya M. Khatau	-	0.25	5
5.	*Chief Financial Officer	-	-	0.50
6.	*Company Secretary	-	-	0.50
7.	*Managing Director	-	-	2
*Any Contract between the Company & person appointed / designated as Company Secretary, Chief Financial Officer and Managing Director				
Any Contract or transaction with all the above parties for selling or otherwise disposing of, or buying, property of any kind to be on marker value and on arms length relationship basis.				

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts deeds and things, including but not limiting to filing of the necessary forms and documents with the Registrar of Companies and other regulatory authorities, and to do all such acts deeds and things as may be necessary to give effect to the foregoing resolutions.”

**For Indokem Limited
By Order of the Board**

**Place: Mumbai
Date: 08th August, 2017**

**Sd/-
Rajesh D. Pisal
Company Secretary**

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting 'AGM' is entitled to appoint a proxy to attend and to vote on a poll instead of himself/herself and the proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the AGM. Members may please note that a Proxy does not have the right to speak at the meeting and can vote only on poll.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days written notice is given to the Company.

3. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive) for the purpose of AGM.
5. Only registered members of the Company or any proxy appointed by such registered member may attend the AGM as provided under the provisions of the Companies Act, 2013.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of the Notice.
7. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection upto two days prior to the said meeting, at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).
8. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
9. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
10. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which includes easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Alteration, if any, made in the Form of Proxy should be initialed.

To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31st March, 2017 will be sent to members whose mail IDs are available with the Depository Participant(s). Members who have not registered their email address, physical copy of the Annual Report will be sent in the

permitted mode. Accordingly by virtue of the above we request the members of the Company to kindly register/update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register/update their e-mail address with our Share Transfer Agent at sharexindia@vsnl.com

12. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others specified below:

- i) Registers of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of AGM of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
- ii) Registers of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the Annual General Meeting of the Company and shall be made accessible to a person attending the meeting.

13. Members/ Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.

14. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore members holding shares in physical form are requested to furnish their PAN along with self- attested photocopy of PAN Card to the Share Transfer Agent. Members holding shares in Demat form are requested to register the details of their PAN with their Depository Participant (DP).

15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/Demat form, the members may please contact their respective Depository Participant.

Members may note that the Notice of the 51st AGM and the Annual Report for 2016-17 will also be available on the website of the Company at www.indokem.co.in. Physical copies of the aforesaid documents will also be available at the Registered Office situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai- 400 016 for inspection between 11.00 a.m. and 1.00 p.m. on all working days. 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 for free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: iklsecretarial@gmail.com.

16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their rights to vote at the 51st AGM of the Company by electronic means through remote e-voting facility provided by Central Depository Services (India) Limited) "CDSL".

17. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

18. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

19. Route map for directions to the venue of the meeting is provided in the Annual Report.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on 26th September, 2017 (9.00 a.m.) till 28th September, 2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participants are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the • member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Please Note that:

1. The voting period begins on Tuesday, 26th September, 2017 at 9.00 a.m. and ends on Thursday, 28th September, 2017 at 5.00 p.m. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is Friday, 22nd September, 2017, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 28th September, 2017.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

2. Mrs. Samita Tanksale, Practicing Company Secretary (Membership No. CP10763) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The Scrutinizers shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward her report of the votes cast in favour or against, to the Chairman or to any Director or officer who may be authorized by the Chairman for this purpose.

The Results shall be declared on or after the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.indokem.co.in and on the website of CDSL within two days of passing of Resolutions at the AGM of the Company and shall also be communicated to the Stock Exchange. The Resolution shall be deemed to be passed at the AGM of the Company scheduled to be held on 29th September, 2017.

**For Indokem Limited
By Order of the Board**

**Place: Mumbai
Date: 08th August, 2017**

**Sd/-
Rajesh D. Pisal
Company Secretary**

Registered Office:
Plot No. 410/411, Khatau House,
Mogul Lane, Mahim (West),
Mumbai – 400 016.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:**Item No. 3:**

As regards appointment of Statutory Auditors referred to in Item No. 3 of the Notice, the following disclosures are made for the information of the shareholders:

The current auditors, viz M/s- Sheth Doctor and Associates, Chartered Accountants, Mumbai (Firm Registration Number- 124822W) were last re-appointed by the Members at their Annual General Meeting held on 30th September, 2014 to hold the office of auditor from the conclusion of the 48th Annual General Meeting till the conclusion of 51st Annual General Meeting.

As per the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, no listed Company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided additional transition period of three years from the commencement of the Act i.e. 1st April, 2014. The current auditors, M/s- Sheth Doctor and Associates, had completed a period of ten years at the commencement of the said Act. Hence, on their completing the additional transition period of three years provided under the Act, their term expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors at its meeting held on 08th August, 2017 based on the recommendation of the Audit Committee has recommended the appointment of CNK & Associates LLP, Chartered Accountants (Firm Registration Number - 101961W/W100036), as the statutory auditors of the Company for approval by the members.

CNK & Associates LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of Section 143 of the Act.

CNK & Associates LLP, Chartered Accountants, will be appointed as the statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 56th Annual General Meeting. Subject to ratification of their appointment by the members at every intervening Annual General Meeting on such terms and conditions as may be mutually agreed.

Item No. 4:

The shareholders will recall the re-appointment of Shri. Mahendra K. Khatau as Chairman and Managing Director of the Company with effect from 1st April, 2015 for a period of five years at the Annual General Meeting held on 21st December, 2015.

As you all are aware, the Company is aggressively exploring opportunities both in India and Export market abroad. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

The Board of Directors considered the contribution of the above managerial personnel to the overall progress of the Company and after taking into consideration the complexities of the responsibilities handled by him and industry remuneration benchmarks, have at their meeting held on 8th August, 2017, based on the recommendation of the Nomination and Remuneration Committee, approved the proposal to revise remuneration payable to Shri. Mahendra K. Khatau from the present ₹ 42,50,880/- per annum to ₹ 72,64,800/- per annum subject to approval of the shareholders.

The revised terms of remuneration payable to Shri. Mahendra K. Khatau with effect from 1st October, 2017 are as follows:

- (i) Salary: ₹ 3,00,000/- per month with annual increment of such amount as may be decided by the Board.
- (ii) Rent Free furnished Accommodation owned or leased/rented. In case the Company does not provide any accommodation, Shri. Mahendra K. Khatau shall receive House Rent Allowance of ₹ 1,50,000/- per month.
- (iii) Housing Maintenance Allowance: ₹ 80,000/- per month.
- (iv) Reimbursement of gas, electricity, water charges & furnishings up to ₹ 15,000/- per month.
- (v) Medical Reimbursement: Reimbursement of expenses incurred by Shri. Mahendra K. Khatau for himself and his family subject to ceiling of ₹ 5,000/- per month.
- (vi) Leave Travel Allowance for himself and his family is ₹ 5,000/- per month once in a year in accordance with rules of the Company.