



**INDOKEM LIMITED**



**53<sup>rd</sup> ANNUAL REPORT  
2018-19**

## 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 [support@sharexindia.com](mailto:support@sharexindia.com) or / and [iklsecretarial@gmail.com](mailto: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 No. /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:

<b><u>REGISTRAR &amp; SHARE TRANSFER AGENT:</u></b>	<b><u>SECRETARIAL DEPT.</u></b>
<b>SHAREX DYNAMIC (INDIA) PVT. LTD.</b>	<b>INDOKEM LIMITED</b>
C-101, 247 Park, L.B.S. Marg,	Plot No: 410 / 411, Khatau House,
Vikhroli (West), Mumbai- 400 072.	Mogul Lane, Mahim (West),
Tel No.: +91-22- 2851 5606 / 2851 5644.	Mumbai- 400 016.
<b>Email:</b> <a href="mailto:support@sharexindia.com">support@sharexindia.com</a>	<b>Tel No.:</b> +91-22- 6123 6711 / 6123 6767
<b>Website:</b> <a href="http://www.sharexindia.com">www.sharexindia.com</a>	<b>Email:</b> <a href="mailto:iklsecretarial@gmail.com">iklsecretarial@gmail.com</a>
	<b>Website:</b> <a href="http://www.indokem.co.in">www.indokem.co.in</a>

**INDOKEM LIMITED**  
(CIN : L31300MH1964PLC013088)

**BOARD OF DIRECTORS:**

Mr. Mahendra K. Khatau	Chairman and Managing Director
Mr. Manish M. Khatau	Whole-time Director
Mrs. Asha M. Khatau	Non-executive Director
Mr. Kailash Pershad	Non-executive Independent Director
Mr. S. Rajagopalan	Non-executive Independent Director
Mr. Bhalchandra Sontakke	Non-executive Independent Director

**KEY MANAGERIAL PERSONNEL:**

Ms. Rupal B. Parikh	Chief Financial Officer
Mr. Rajesh D. Pisal	Company Secretary and Compliance Officer

**AUDITORS:**

CNK & Associates, LLP

**BANKERS:**

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

**REGISTRAR & SHARE TRANSFER AGENT:**

Sharex Dynamic (India) Pvt. Ltd.  
C-101, 207 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.

**Email:** [support@sharexindia.com](mailto:support@sharexindia.com)

**Website:** [www.sharexindia.com](http://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](mailto:iklsecretarial@gmail.com)

**Website:** [www.indokem.co.in](http://www.indokem.co.in)

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**53<sup>rd</sup> Annual General Meeting (AGM)**

Day, Date & Time: Monday, 30<sup>th</sup> September, 2019 at 3:00 P.M.

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

**INDOKEM LIMITED**

(CIN: L31300MH1964PLC013088)

**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 THIRD Annual General Meeting** of the members of the Company will be held on Monday, 30<sup>th</sup> September, 2019 at 3:00 P.M. at the Registered Office of the Company situated at Plot No. 410 / 411, Khatau House, Mogul Lane, 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 31<sup>st</sup> March, 2019 including the Balance Sheet as at 31<sup>st</sup> March, 2019 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 Mrs. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.

**SPECIAL BUSINESS:**

3. Re-appointment of Managing Director of the Company:

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

**"RESOLVED THAT** in accordance with the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the rules made there under, including any statutory modifications and re-enactments thereof, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Mahendra K. Khatau as the Managing Director (DIN: 00062794) of the Company for a period of 5 (five) years commencing from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025 upon the terms and conditions and remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of Directors of the Company, set-out in the Explanatory Statement pursuant to Section 102 of the Act annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. Mahendra K. Khatau.

**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."

4. Approval for Transactions with the Related Parties under Section 188 of Companies Act, 2013:

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 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)				(Rs. in Crores)
Sr. No.	Name of related parties	Transaction defined u/s 188 of Companies Act, 2013		
		Sale , purchase or supply of any goods, materials	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.	Vindhypriya 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	0.50	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.	Mr. Mahendra K. Khatau	-	0.25	10
2.	Mrs. 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 arm's length relationship basis.				

**RESOLVED FURTHER THAT** all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorized 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**

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

**Place: Mumbai  
Date: 12<sup>th</sup> August, 2019**

**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 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 twenty four 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 AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2019 to 30<sup>th</sup> September, 2019 (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 Proxy Form should be initialed.
12. To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31<sup>st</sup> March, 2019 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 [support@sharexindia.com](mailto:support@sharexindia.com)

13. The Company has been maintaining, inter alia, the following Statutory Registers at its registered office which

are open for inspection by members and others, in terms of the applicable provisions of the Companies Act, 2013 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 AGM of the Company and shall be made accessible to a person attending the meeting.
14. 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.
  15. 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 our Share Transfer Agent. Members holding shares in Demat form are requested to register the details of their PAN with their Depository Participant (DP).
  16. 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 53<sup>rd</sup> AGM and the Annual Report for 2018-19 will also be available on the website of the Company at [www.indokem.co.in](http://www.indokem.co.in). Physical copies of the aforesaid notice will also be available at the registered office of the Company 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](mailto:iklsecretarial@gmail.com).
  17. 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 (SEBI Listing Regulations, 2015), the Company is pleased to provide the members to exercise their rights to vote at the 53<sup>rd</sup> AGM of the Company by electronic means through remote e-voting facility provided by National Securities Depository Limited) 'NSDL'.
  18. 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.
  19. 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.
  20. 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 Friday, 27<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 at 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 Monday 23<sup>rd</sup> September, 2019 may cast their votes electronically.
- (ii) The e-voting module shall be disabled by NSDL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The shareholders should log on to the e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (iv) Click on Shareholders.

- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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.evoting.nsdl.com](http://www.evoting.nsdl.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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>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.</li> <li>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 Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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"> <li>If both the details are not recorded with the Depository or Company please enter the</li> <li>member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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 NSDL 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 NSDL'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 and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 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 [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) 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.evoting.nsdl.com](http://www.evoting.nsdl.com) under help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Please Note that:**

1. The voting period begins on Friday, 27<sup>th</sup> September, 2019 at 9:00 a.m. and on ends Sunday, 29<sup>th</sup> September, 2019 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 Monday 23<sup>rd</sup> September, 2019, 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 NSDL for voting after 5:00 p.m. on Sunday 29 September, 2019.

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 under help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

2. Mr. Samita Tanksale, Company Secretary in Practice (Membership No. 26044) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The Scrutinizer 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](http://www.indokem.co.in) and on the website of NSDL 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 Monday, 30<sup>th</sup> September, 2019.

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

Sd/-

**Rajesh D. Pisal  
Company Secretary**

**Place: Mumbai**

**Date: 12<sup>th</sup> August, 2019**

**Registered Office:**

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

**Explanatory Statement u/s. 102 of the Companies Act, 2013:**
**ITEM NO: 3**
**Re-appointment of Managing Director:**

The tenure of Mr. Mahendra K. Khatau, who was appointed as the Managing Director of the Company by the members of the Company expires on 31<sup>st</sup> of March, 2020. Company is desirous to re-appoint Mr. Mahendra K. Khatau (DIN : 00062794), as the Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> of April, 2020 and he has consented for the same.

Keeping in view that Mr. Mahendra K. Khatau has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Mahendra K. Khatau as the Managing Director of the Company.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on 12<sup>th</sup> August, 2019 approving re-appointment of Mr. Mahendra K. Khatau, as Managing Director of the Company for a further period of five years with effect from 1<sup>st</sup> April, 2020 upto 31<sup>st</sup> March, 2025, subject to the approval of the members at this AGM.

Mr. Mahendra K. Khatau aged 64 years is on the Board of the Company since 28<sup>th</sup> January, 1986. He is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Mahendra K. Khatau and the terms and conditions of the re-appointment are given below:

- i) Salary: Rs. 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 provides no accommodation, Mr. Khatau shall receive house rent allowance of Rs. 1,50,000/- per month.
- iii) Housing Maintenance Allowance: Rs. 80,000/- per month.
- iv) Reimbursement of gas, electricity, water charges & furnishing up to Rs. 15,000/- per month.
- v) Medical Reimbursement: Reimbursement of expenses incurred by Mr. Mahendra Khatau for himself and his family subject to ceiling of Rs. 5,000/- per month.
- vi) Leave Travel allowance for himself and his family is Rs. 5,000/- per month, once in a year in accordance with rules of the Company.
- vii) Personal Accident Insurance / Mediciclaim Policies:- In accordance with the rules of the Company, premium on Personal Accident Insurance / Mediciclaim Policies shall be paid.
- viii) Club Fees:- Fees of the Clubs restricted to two clubs. No admission and life membership fees shall be paid.
- ix) Car with driver and Telephone:- The Company will provide a Car with Driver and Telephone at the residence of Mr. Mahendra Khatau. The provision of car for use on Company's business and Telephone at residence will not be considered as perquisite.  
Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Mahendra K. Khatau.
- x) Earned Leave:- On full pay and allowance and perquisite as per the rules of the Company. Encashment of leave for a maximum of 60 days at the end of the tenure will be permissible, which shall not be included in the computation of minimum remuneration.
- xi) Company's contribution towards Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
- xii) Gratuity not exceeding half a month's salary for each completed year of service. The aforesaid perquisites stated shall not be included in the computation of minimum remuneration.