

**Indokem Limited**

(CIN: L31300MH1964PLC013088)

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

**NOTICE**

**NOTICE** is hereby given that the **FIFTIETH Annual General Meeting** of the members of the Company will be held on Friday, 30<sup>th</sup> September, 2016 at 4.00 P.M. at Registered Office of the Company situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 including the Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss and the Cash Flow Statement as on that date together with the Reports of the Board of Directors and Auditors 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 and has offered herself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company to carry on the Statutory Audit for the Financial Year 2016-17 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013 and 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, the members hereby ratifies the appointment of M/s. Sheth Doctor and Associates, Chartered Accountants, Mumbai (Firm Registration Number- 124822W) as Statutory Auditors of the Company to hold office as such from the conclusion of 50<sup>th</sup> Annual General Meeting till the conclusion of 51<sup>st</sup> Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors.”

**SPECIAL BUSINESS:****4. Appointment of Whole-Time Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 the consent of the members of the Company be and is hereby accorded to appoint Mr. Manish M Khatau as, as Whole-Time Director of the Company designated as Executive Director of the Company for the period of five years with effect from 1<sup>st</sup> March, 2016, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as set out below with liberty and authority of the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013 or any amendments thereto or re-enactment thereof as may be agreed to between the Board of Directors and Mr. Manish M. Khatau.

“**RESOLVED 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 resolution.”

**5. 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 for the financial year 2016-17 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, 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.	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
2.	D. M. Khatau & 3 Brothers	3	0.25	1

**Directors/ KMPs/ Relatives of Directors & KMPs/ Other Firms & Companies in which Director 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 market value and on arms lengths 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**

**Sd/-  
Bhavik B. Parekh  
Company Secretary**

**Place: Mumbai  
Date: 10<sup>th</sup> August, 2016**

**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 Annual General Meeting. 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 (3) 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 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
5. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General Meeting (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 Applicant Company between 11.00 a.m. and 1.00 p.m. on all working days of the Applicant 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 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.
12. To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31<sup>st</sup> March, 2016 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 2015-16 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**
13. 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 Annual General Meeting 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.
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 involve 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 DPs.

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.
17. Members may note that the Notice of the 50<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.indokem.co.in](http://www.indokem.co.in). The physical copies of the aforesaid documents will also be available at the Company's 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 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).
18. 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 50<sup>th</sup> Annual General Meeting of the Company by electronic means through remote e- voting facility provided by Central Depository Services (India) Limited) (CDSL).
19. The facility for voting through Ballot Paper shall be made available at the Annual General Meeting (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.
20. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
21. Route map for directions to the venue of the meeting is provided in the Annual Report.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The voting period begins on 27<sup>th</sup> September, 2016, (9.00 a.m.) till 29<sup>th</sup> September, 2016 (5.00 p.m.). During this period the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2016 may cast their vote 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant 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 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>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).</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 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 on or after 30th June 2016. 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](http://www.evotingindia.com) and register themselves as Corporates.

- 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, 27<sup>th</sup> September, 2016 at 9.00 a.m. and ends on Thursday, 29<sup>th</sup> September, 2016 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, 23<sup>rd</sup> September, 2016, 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 29<sup>th</sup> September, 2016.
2. 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**.
3. 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.
4. The Scrutinizers shall within a period of not exceeding three (3) 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.
5. The Results shall be declared on or after the Annual General Meeting (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 shall also be communicated to the Stock Exchanges. The resolution shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on 30<sup>th</sup> September, 2016.

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

**Place: Mumbai  
Date: 10<sup>th</sup> August, 2016**

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

**Sd/-  
Bhavik B. Parekh  
Company Secretary**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:**
**Item No. 4:**
**Appointment of Whole-Time Director:**

Mr. Manish M. Khatau son of Shri. Mahendra K. Khatau (Chairman and Managing Director), of the Company aged 29 years has completed his graduation in BBA (Bachelor in Business Administration) from American Intercontinental University of London. He was appointed as Vice President - Corporate Strategy in the Company during the year 2009 and has approximately 7 years of experience with the Company as Vice President thereafter. He is very much informed about the working environment and norms of this industry. During his tenure he expanded business of the Company by introducing new clients and new products, to utilize his knowledge and experience in the operations of the Company and keeping in view of the same, it would be in the interest of the Company to appoint Mr. Manish M. Khatau as Whole-Time Director, Executive for a period of five years at a remuneration of ₹ 25,15,200/- p.a. with effect from 1<sup>st</sup> March, 2016 subject to the approval of Shareholders at the General Meeting.

**Details of Compensation:-**

(Amount in ₹ per annum)

Salary	9,00,000
House Rent Allowances	7,20,000
City Compensatory Allowances	6,00,000
Medical Allowances	72,000
LTA	72,000
Gratuity	43,200
Provident Fund	1,08,000
<b>Total</b>	<b>25,15,200</b>

Mr. Manish M. Khatau will be considered as a Key Managerial Personnel (KMP) of the Company and will look after overall business operations of the Company and assist Chairman and Managing Director in day to day affairs of the Company. His appointment as a Whole-Time Director will be beneficial to the Company.

Mr. Manish M. Khatau is related to Shri. Mahendra K. Khatau, Chairman and Managing Director and Smt. Asha M. Khatau Director of the Company.

None of the Directors and KMP except Shri. Mahendra K. Khatau and Smt. Asha M. Khatau are concerned or interested in passing the above resolution.

The Board therefore recommends passing of Special Resolution as mentioned in Item No. 4 of the Notice.

**I. GENERAL INFORMATION:**
**(1) Nature of industry:**

Chemicals.

**(2) Financial Performance based on given indicators:**

During the year ended 31<sup>st</sup> March 2016 the Company achieved total Income of ₹ 5866.15 Lakhs, a profit before depreciation and tax of ₹ 322.10 Lakhs and Loss for the year was ₹ (36.11) Lakhs. The detailed financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31<sup>st</sup> March, 2016.

**(3) Foreign investments or Collaborations, if any:**

There are no foreign investments made or collaborations in the Company.

**II. INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:**

**(1) Background Detail:**

Mr. Manish M. Khatau son of Shri. Mahendra K. Khatau, Chairman and Managing Director of the Company aged 29 years has completed his graduation in BBA (Bachelor in Business Administration) from American Intercontinental University of London. He was appointed as Vice President- Corporate Strategy in the Company during the year 2009 and has approximately 7 years of experience with the Company as Vice President thereafter.

**Other Directorship:**

- (a) Indokem Limited
- (b) Chairman/Member of the following Committees:

Sr. No.	Name of the Company	Name of the Committee	Chairman/Member
1	Indokem Limited	Committee of Directors	Member
2	Indokem Limited	Share Transfer Committee	Member

**(2) Past Remuneration:**

₹ 1,49,288/- p.m. plus retirement benefits (Financial Year 2014-2015)

**(3) Recognition or awards:**

NIL

**(4) Job profile and suitability:**

Mr. Manish M. Khatau (DIN: 02952828) shall be responsible for the day-to-day operations and managing the affairs of the Company under the superintendence, guidance and control of the Board. He is functioning as an Whole-Time Director of the Company since 1<sup>st</sup> March, 2016.

**(5) Remuneration proposed:**

As mentioned above under explanatory statement.

**(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Keeping in view the type of the industry, size of the Company and the responsibilities and profile of Mr. Manish M. Khatau, the proposed remuneration is competitive with the remuneration paid by other Companies in similar line of business to such managerial personnel.

**(7) Pecuniary relationship with the Company, or relationship with the managerial personnel:**

Mr. Manish M. Khatau is a promoter of the Company and holding (35592 equity shares) aggregating to 0.15% of equity shares in the paid-up capital of the Company. Shri. Mahendra K. Khatau, Smt. Asha M. Khatau, Directors of the Company, may be deemed to be interested in the Resolution pertaining to the appointment of and remuneration payable to Mr. Manish M. Khatau as they are related to each other. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company are, in any way, concerned or interested in the Resolution.

**III. OTHER INFORMATION:**

**(1) Reasons of loss or inadequate profits:**

Uncertain economic conditions, poor economic growth, high inflation, slow-down in industrial growth severely affected the capital market. This had an adverse effect on profitability.

**(2) Steps taken /to be taken for improvement:**

The Company has modernized its facilities and expanded its existing capacities of plant operations to produce more value added chemicals. The Company continues to make all efforts to recover dues from the clients by negotiations or by resorting to legal recourse. The Company has introduced new products and strategies to increase its sales volume.

**(3) Expected increase in productivity and profits:**

The management expects that the above and other efforts underway would result in an improved performance. However, considering the nature of the Company's activities and related factors, it is difficult to lay down expected profits in measurable terms.

**IV. DISCLOSURES:**

The details required to be furnished under the Disclosures, are already provided wherever applicable under the Explanatory Statement and Corporate Governance Report. Mr. Manish M. Khatau is interested in the Resolutions as set out in the Notice which pertains to his appointment and remuneration payable to him.

Except Shri. Mahendra K. Khatau and Smt. Asha M. Khatau or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 4.

The Board recommends the Special Resolution as set out at Item No. 4 of the Notice for your approval.

**Item No. 5:****Transactions with Related Parties u/s 188 of the Companies Act, 2013:**

The provisions of Section 188(1) of the Companies Act, 2013 governs Related Party Transactions and requires the Company to obtain prior approval of the Board of Directors and in case Paid up Share Capital or Transactions as may be prescribed from time to time is more, then prior approval of shareholders by way of special resolution is required.

Further, third proviso to Section 188(1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on Arm's Length Basis.

Though the Company is not coming under the purview of Section 188(1) and all transaction are on Arm's Length Basis / Ordinary Course of Business however as a good Corporate Governance, Company is seeking approval of the Members.

The provisions of Section 188 (3) also provide that any contract or arrangement entered into u/s. 188 (1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of provisions of the Companies Act, 2013 the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the Financial Year 2016-17 in the Board Meeting held on 10<sup>th</sup> August, 2016.

All prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for the kind perusal of the members.

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, 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
<b>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)</b>				
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 <sup>1</sup>	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
<b>PARTNERSHIP FIRMS:</b>				
1.	Orchard Acres	10	0.25	1
2.	D. M. Khatau & 3 Brothers	3	0.25	1
<b>Directors/ KMPs/ Relatives of Directors &amp; KMPs/ Other Firms &amp; Companies in which Director have some interest as per the provisions of Section 2 (76) of the Companies Act, 2013.</b>				
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.	Miss. 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 lengths relationship basis.				

Members are hereby informed that pursuant to second proviso of Section 188 (1) of the Companies Act, 2013, no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a Related Party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 10<sup>th</sup> August, 2016. The Board of Directors is of the opinion that the transactions are on Arm Length Basis and are in the ordinary course of business and recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Except Promoter Directors and their relatives, no other Director/ KMP is concerned or interested in the Resolution.

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

**Sd/-  
Bhavik B. Parekh  
Company Secretary**

**Place: Mumbai  
Date: 10<sup>th</sup> August, 2016**

**ANNEXURE - I**

Profile of the Director seeking reappointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

<b>Name</b>	Smt. Asha M. Khatau
<b>Age</b>	58
<b>Date of Appointment</b>	30.09.2010
<b>Expertise in functional Areas</b>	Industrialist
<b>Qualification</b>	B.A
<b>Names of the Companies in which she holds Directorships and Memberships of Committee of the Board</b>	<b>Directorship:</b> 1. Refnol Resins and Chemicals Limited 2. Prism Plantations Private Limited 3. Asha Marine Products Private Limited 4. Emerald Capital Services Private Limited 5. Priyamvada Holdings Private Limited 6. Chemron Texchem Private Limited (w.e.f. 04.04.2016)
<b>Numbers of Shares held in the Company</b>	45243