



## CHEMCRUX ENTERPRISES LIMITED

CIN: L01110GJ1996PLC029329

**Regd. Office:** 330, TRIVIA Complex, Natubhai Circle, Racecourse Vadodara - 390007  
**Factory Office:** 4712-14, GIDC, Road South 10, Ankleshwar-393 002, (Gujarat ) INDIA  
Ph: +91-0265-2984803/2988903  
Email: [girishshah@chemcrux.com](mailto:girishshah@chemcrux.com) Website: [www.chemcrux.com](http://www.chemcrux.com)

### NOTICE

**NOTICE** is hereby given that the Twenty Fourth (24<sup>th</sup>) Annual General Meeting of members of **CHEMCRUX ENTERPRISES LIMITED** ("the Company") will be held on Monday August 17<sup>th</sup>, 2020 at 02:00 P.M. Indian Standard Time (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the reports of the Board of Directors and the Auditors thereon be and are hereby considered, approved and adopted."

2. To declare final dividend for the financial year ended 31<sup>st</sup> March, 2020 at the rate of 10% (Rs. 1.00 per Equity Share) and confirm the Interim Dividend as approved by the Board at the rate of 30% (Rs. 3.00 per Equity Share) and in this regard pass the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** final dividend of Rs. 1.00/- (One only) per Equity Share @ 10% on 49,36,280 Equity Shares of the Company be and is hereby declared to the Equity Shareholders of the Company whose name appear in the Register of Members on August 10, 2020 out of the profits of the Company for the financial year ended on 31<sup>st</sup> March 2020."

**RESOLVED FURTHER THAT** the Interim Dividend at the rate of 30% (Rs. 3.00 per Equity Share) approved by the Board of Directors at its meeting held on 27<sup>th</sup> February, 2020 and already paid to the Shareholders out of the profits of the Company be and is hereby confirmed"

3. To appoint a Director in place of Mr. Girishkumar Shah (DIN: 00469291), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** Mr. Girishkumar Shah (DIN: 00469291), Whole Time Director of the Company, who retires by rotation at this Annual General Meeting in accordance with section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby appointed as Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS :

4. To approve payment of remuneration to Mr. Girishkumar Shah, Executive Chairman & Whole Time Director and in this regard to consider and, if thought fit, to pass the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration for the period of 3 financial years starting w.e.f. April 1, 2021 as mentioned in the Explanatory Statement, to Mr. Girishkumar Shah (DIN: 00469291) Executive Chairman & Whole Time Director of the Company, [who was re-appointed at the Annual General Meeting of the Company held on September 27, 2018 for a period of 5 years w.e.f. January 1, 2019 ], provided however that

total maximum managerial remuneration payable to Mr. Girishkumar Shah shall not exceed Rs. Two crores per annum.

**RESOLVED FURTHER THAT** the tenure of Mr. Girishkumar Shah Executive Chairman & Whole Time Director of the Company for a period of 5 years w.e.f. January 1, 2019, as appointed by the members at the Annual General Meeting held on September 27, 2018, shall remain unchanged and all other terms and conditions of appointment of Mr. Girishkumar Shah, as approved earlier by the members at the Annual General Meeting held on September 27, 2018 and which are not dealt with in this resolution, shall remain unaltered.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

5. To approve payment of remuneration to Mr. Sanjay Marathe, Managing Director and in this regard to consider and, if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration for the period of 3 financial years starting w.e.f. April 1, 2021 as mentioned in the Explanatory Statement, to Mr. Sanjay Marathe (DIN: 01316388) Managing Director of the Company, [who was re-appointed at the Annual General Meeting of the Company held on September 27, 2018 for a period of 5 years w.e.f. January 1, 2019 ], provided however that total maximum managerial remuneration payable to Mr. Sanjay Marathe shall not exceed Rs. Two crores per annum.

**RESOLVED FURTHER THAT** the tenure of Mr. Sanjay Marathe Managing Director of the Company for a period of 5 years w.e.f. January 1, 2019, as appointed by the members at the Annual General Meeting held on September 27, 2018, shall remain unchanged and all other terms and conditions of appointment of Mr. Sanjay Marathe, as approved earlier by the members at the Annual General Meeting held on September 27, 2018 and which are not dealt with in this resolution, shall remain unaltered.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By order of the Board of Directors  
For CHEMCRUX ENTERPRISES LIMITED**

**Place: Vadodara  
Date: July 10, 2020**

**Sd/-  
Ekta Kumari Srivastava  
Company Secretary**

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the special business under Item Nos. 4 & 5 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company on July 10, 2020 considered that the special business under Item Nos. 4 & 5, being considered unavoidable, be transacted at the 24th AGM of the Company.

2. In view of the COVID-19 pandemic and continuing restriction on gathering of persons in the country to maintain social distancing and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) (“hereinafter collectively referred to as “the Circulars”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the 24<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 24<sup>th</sup> AGM shall be the Registered Office of the Company.
3. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.chemcrux.com](http://www.chemcrux.com) . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. **The Register of Members and Share Transfer Books of the Company will remain closed from Monday August 10, 2020 to Monday August 17, 2020 (both days inclusive) for annual book closing and record date shall be as on Monday, August 10, 2020 for determining the entitlement of shareholders to the final dividend. The cut off date shall be as on Monday, August 10, 2020 to determine the shareholders entitled to avail the facility of remote e-voting.**
8. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in Annexure I to this notice.
9. Subject to the provisions of section 126 of the Companies Act, 2013, final dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2020, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on August 10, 2020 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on August 10, 2020.
 

**9.1 In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant or to the RTA, Bigshare Services Pvt, Ltd. At [www.bigshareonline.com](http://www.bigshareonline.com).**
10. M/s. Bigshare Services Private Limited, the Registrar and Transfer Agent (RTA) having their administrative office situated at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol Andheri – East, Mumbai – 400059 in the State of Maharashtra, is handling registry work in respect of shares held both in physical form and in electronic/demat form. **Bigshare Services has put in place a module to enable the shareholders to update the Email Id, Mobile No., PAN No. and Bank Details by visiting the website, [www.bigshareonline.com](http://www.bigshareonline.com). (For Investors section).**
11. **Green Initiative – Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically. Members may also note that Annual Report for the FY 2019-20 will also be available on the website of the Company at [www.chemcrux.com](http://www.chemcrux.com).**

12. **VOTING THROUGH ELECTRONIC MEANS :**

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by **National Securities Depository Limited (NSDL)**.

- ii. The process and manner for remote e-voting are as under:

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system**

- iii. **Details on Step 1 is mentioned below :**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under Shareholders’ section.

3. A new section will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

**Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical**      **Your User ID is:**

- |  |   |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.            | EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below :**

**How to cast vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of company for which you wish to cast your vote.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).



VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 10, 2020.

IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 10, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [companysec@chemcrux.com](mailto:companysec@chemcrux.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using **“Forgot User Details/Password?”** or **“Physical User Reset Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility during the AGM.

**10 Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [companysec@chemcrux.com](mailto:companysec@chemcrux.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to email Id : [companysec@chemcrux.com](mailto:companysec@chemcrux.com).

2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**GENERAL INSTRUCTIONS :**

a. **The e-voting period commences on Friday, August 14, 2020 (09:00 a.m. IST) and ends on Sunday, August 16, 2020 (5:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 10, 2020, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter but will again open up during the AGM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**

b. Mr. Kashyap Shah, Practicing Company Secretary (Membership No. FCS 7662), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

c. The Scrutinizer shall, after the conclusion of voting at the General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the AGM a Consolidated Scrutinizer’s Report of the total votes cast in favour or against and invalid votes if any. The results declared along with the Scrutinizer’s report, will be posted on the website of the Company [www.chemcrux.com](http://www.chemcrux.com) and on the website of NSDL immediately after the declaration of the result by the Chairman or any person authorised by him and communicated to the Stock Exchanges.

d. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kashyap.cs@gmail.com](mailto:kashyap.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

e. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- f. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at [companysec@chemcrux.com](mailto:companysec@chemcrux.com)
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [companysec@chemcrux.com](mailto:companysec@chemcrux.com). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Members will have the option to post their comments / queries on Chat and we will be making arrangements to carry your messages.

By order of the Board of Directors  
**For CHEMCRUX ENTERPRISES LIMITED**

**Place: Vadodara**  
**Date: July 10, 2020**

**Sd/-**  
**Ekta Kumari Srivastava**  
**Company Secretary**

**Registered Office :**  
**330, TRIVIA Complex**  
**Natubhai Circle, Racecourse**  
**Vadodara - 390007**

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

### Special Business : Item No. 4 & 5

The Company at its Annual General Meeting held on September 27, 2018 have reappointed Mr. Girishkumar Shah (DIN: 00469291) as the Wholtime Director, designated as Executive Chairman and Mr. Sanjay Y. Marathe, (DIN 01316388) as Managing Director, for a period of 5 (five) years effective from January 1, 2019 till 31<sup>st</sup> December, 2023 vide Special Resolution No. 5 & 6 respectively. However, as per the provisions of Schedule V of the Companies Act, 2013, the said resolutions approving remuneration payable by Companies having inadequate profits were passed for a period of three years, starting from April 1, 2018 till 31<sup>st</sup> March, 2021. Therefore, it is proposed to seek members' approval for the remuneration payable to Mr. Girishkumar Shah, Wholtime Director and Mr. Sanjay Marathe, Managing Director, for a period of another three years starting from April 1, 2021 till their tenure ending on December 31<sup>st</sup>, 2023 in terms of the applicable provisions of the Companies Act 2013, for Companies having inadequate profits.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel in case of no profits/ inadequacy of profits. Further, pursuant to a recent amendment in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting, if the annual remuneration payable to such Executive Director exceeds Rs.5 Crore or 2.5% of the net profits of the Company, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company. The proposed special resolution being approved in respect of resolution set out at Item No. 4 & 5, of this Notice would also be in compliance with the requirements of SEBI LODR.

The Company has not committed any default in repayment of any of its debt (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year. In case of your Company, the remuneration paid /payable to Managerial Personnel is likely to exceed 10% of Net Profit of the Company during the financial year ending FY 2020-21 and onwards and the aggregate remuneration paid/payable to the aforementioned Managerial Personnel during financial year ending FY 2020-21 onwards is also likely to exceed the limits prescribed under Section II of Part II of Schedule V of the Act.

### STATEMENTS AS PER PART II OF SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013

In terms of provisions contained in section II Part II of Schedule V of the Companies Act, 2013, in case of inadequate profit for managerial remuneration, the relevant details regarding the performance of the Company and of the appointee are furnished hereunder:

#### **General Information:**

1) Nature of Industry	Manufacturing of Organic & Inorganic, Speciality Chemicals
2) Date of Commencement of Commercial Production	Since Incorporation
3) Financial Performance for the Financial Year ended 31.03.2018	Total Income : Rs. 58,31,50,102 Profit Before Tax & Provisions : Rs. 14,10,62,565 Profit After Tax : Rs. 10,64,25,820 Debt Equity Ratio : 0.03 Current Ratio : 2.75 Net Worth : 27,969,7985
5) Foreign Investment or Collaboration	The Company does not have any Foreign Investment or collaboration.



**Information about the Directors:**

**Background Details:**

Mr. Girishkumar Shah and Mr. Sanjay Marathe are founder promoters of the Company since inception. They have been associated with the management of the Company since long & have been holding the position of Whole Time Director / Managing Director since many years. Both of them have vast experience in chemical and allied industries.

**Past Remuneration:** Both Mr. Girishkumar Shah and Sanjay Marathe were paid a monthly remuneration of Rs. 7,00,000/- ( As on 31<sup>st</sup> March, 2020)

**Recognition of Awards:** -- NIL

**Job Profile and Suitability:**

**Mr. Girishkumar Shah** – Girishkumar Shah is the Promoter, Executive Chairman and Whole Time Director of the Company. He has been the Director of the Company since incorporation and is also one of the subscribers of MOA of the Company. He holds a degree in Bachelor of Engineering in Chemical from the Maharaja Sayajirao University of Vadodara (M.S. University) and postgraduate in Industrial Management from Indian Institute of Science, Bangalore (I.I.S.C Bangalore) He has an experience of more than 33 years in chemical industry. At present he heads Marketing and Finance division of the Company. He has a vast experience, knowledge and expertise in the industry. The proposed managerial remuneration of Mr. Girishkumar Shah is commensurate with his qualification, expertise and experience and in the interest of the Company to retain such managerial person.

**Mr. Sanjay Marathe** - Sanjay Marathe, is the Promoter and Managing Director of the Company. He has been the Director of the Company since incorporation and is also one of the subscribers of MOA of our Company. He holds a degree in Bachelor of Engineering in Chemical from The Maharaja Sayajirao University of Vadodara (M.S University) and Master Degree (M.Tech) from Indian Institute of Technology (IIT), Powai. He has an experience of more than 33 years in chemical industry. At present he is involved in overall production activities of the Company. The proposed managerial remuneration of Mr. Sanjay Marathe is commensurate with his qualification, expertise and experience and in the interest of the Company to retain such managerial person.

**Remuneration Proposed to both the appointees** – The remuneration proposed to Mr. Girishkumar Shah and Mr. Sanjay Marathe is Rs. 7,00,000/- per month plus Performance Bonus / Incentives as may be decided by the Board of Directors from time to time subject to an overall limit of Rs 2 crores per annum respectively.

**Proposed Remuneration to Whole Time Director & Managing Director**

1.	Basic Salary	<i>Rs. 7,00,000/- per month with authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company.</i>
2.	Performance Bonus	<i>In addition to the above basic salary, Performance Bonus / Incentives upon the availability of Net profits and as may be decided by the Board from time to time upon recommendation by Nomination &amp; Remuneration Committee on an yearly / half yearly review of the performance of Whole Time Director &amp; Managing Director and based upon the audited / unaudited financial statements of the Company during the year or half year. The performance Bonus / incentives for a particular year shall be considered in the limits of Managerial Remuneration of that particular year, even if it is declared in subsequent year.</i>

Provided further that the basic salary and performance bonus / incentives if declared, shall together be subject to the overall limit of Rs. Two crores per annum respectively to Mr. Girish Shah & Mr. Sanjay Marathe as provided in Special Resolution, Items No. 4 & 5.

In addition to above mentioned remuneration, Mr. Girishkumar Shah & Mr. Sanjay Marathe shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit of remuneration specified in section II of Schedule V of the Companies Act, 2013:

- i. Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
- ii. Gratuity payable as per the rules of the Company.
- iii. Leave encashment at the end of the tenure.
- iv. The provision for use of Company's car with driver for official use.
- v. Company's telephone at his residence.
- vi. Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

**Comparative Remuneration profile with respect to industry, size of the Company, profile of the person and position :** The remuneration profile of the Whole Time Director and Managing Director cannot be exactly compared with respect to industry, size of the Company, profile of the person and position and hence not provided.

**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :** Other than receipt of managerial remuneration, both the directors do not have any pecuniary relationship with the Company. Mr. Girishkumar Shah is related to Mrs. Sidhhi Shah (Non - executive Director) and Mr. Sanjay Marathe is related to Mrs. Neela Marathe (Non -executive Director) as husband and wife.

**Other Information:**

**Reason for inadequacy of profits, steps taken for improvement and expected increased in productivity:** The Company is an MSME, Medium sized Company and the scale of operations is also medium sized. The scale of operations and sales turnover / profitability is not enough to sustain required profitability as of now. However the revenue and turnover of the Company is growing at a steady rate on year basis. Effective steps are taken to improve the performance of the Company by reducing cost of production and other direct costs and by expanding existing manufacturing facilities and by ensuring increase in turnover effectively. This would help the Company to achieve better economies of scale, larger turnover volume and improved profitability.

**Steps taken or proposed to be taken for improvement :**The Company is working on expansion of the existing plant facilities. In line with the same, approval for Environmental Clearance for further expansion of manufacturing capacity is awaited. Company is also striving for better efficiency of manufacturing facility by adopting ISO 50001, Energy Management Systems, debottlenecking of processes, cost reductions and sales maximization.

**Expected increase in productivity and profits in measurable terms:** During the year 2019-20 revenue increased at a growth rate of around 5% and Net Profit increased at the rate of around 14% as compared to preceding years figures. For the current FY 2020-21, due to the global CoVID 19 pandemic situation resulting into around two months complete / partial shutdown of operations, Company expects only marginal or no growth in turnover and revenue. However situation may improve in the next financial years and Company may expect for an increase in turnover and profitability.

**Disclosures**

The following disclosures as may be applicable has been mentioned in the financial statements:

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors - Mentioned in Extract of Annual Return MGT 9 at <http://www.chemcrux.com/investor-info.php>
- (ii) details of fixed component and performance linked incentives along with the performance criteria - Mentioned in Extract of Annual Return MGT 9 at <http://www.chemcrux.com/investor-info.php>
- (iii) service contracts, notice period, severance fees - N.A
- (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable - N.A

**Accordingly, the Board recommends the Special Resolution as set out in Item 4 & 5 for approval of the Members.**

Mr. Girishkumar Shah and His wife Mrs. Sidhdi Shah (Non –Executive Director) and Mr. Sanjay Marathe and his wife Mrs. Neela Marathe (Non –Executive Director) are interested in the resolution set out at Item No. 4 & 5 respectively. The relatives of Mr. Girishkumar Shah and Mr. Sanjay Marathe may be deemed to be interested in the resolution set out at Item No. 4 & 5 respectively of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

#### **Annexure - I**

#### **Details of Directors seeking re-appointment at the forthcoming Annual General Meeting. (PURSUANT TO REGULATION 36(3) of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

<b>Name of Director</b>	<b>Girishkumar Shah</b>
Date of Birth	29/06/1956
Date of Appointment	15/04/1996
Expertise in Specific Functional Area	Management, Administration & Chemical Engineering
Qualifications	B.E (Chem), Post Graduate in Industrial Management from I.I.S.C Bangalore
Directors in other public limited companies	NIL
Other positions	NIL
Membership of committees in other public limited companies	NIL
Inter relationship	Promoter
Relationship with any Director	Husband of Non Executive Director Mrs. Sidhdi Shah
Shares held in the company	18,00,080