



## SADHANA NITRO CHEM LIMITED

CIN: L24110MH1973PLC016698  
Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400 004  
Tel. 022–23865629 Fax 022-23887235 E-Mail: sadhananitro@sncl.com,  
Website:www.sncl.com

### NOTICE TO THE MEMBERS

**NOTICE IS HEREBY GIVEN THAT 10TH EXTRA ORDINARY GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHETH HIRACHAND GUMANJI TRUST HALL, HIRA BAUG, 1ST FLOOR, KASTURBA CHOWK (C.P. TANK) MUMBAI - 400004 ON MONDAY, 22ND MAY, 2017 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS :-**

#### **SPECIAL BUSINESS:**

##### **1. Re-classification of Authorised Share Capital and consequent Alteration of Memorandum of Association:**

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

**“RESOLVED THAT** pursuant to Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, read with rules made thereunder, the existing Authorized Share Capital of the Company of Rs. 21,00,00,000/- (Rupees Twenty One Crore only) divided into 92,50,000 (Ninety Two Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,17,50,000 (One Crore Seventeen Lakh Fifty Thousand) Preference Shares of Rs. 10/- (Rupees Ten only) each be and is hereby re-classified into

- (I) 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crore only) and
- (ii) 1,10,00,000 (One Crore Ten Lakhs) Preference Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs. 11,00,00,000/- (Rupees Eleven Crore only),

Total aggregating to Rs. 21,00,00,000/- (Rupees Twenty One Crore only).

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share Capital of the Company is Rs. 21,00,00,000/- (Rupees Twenty One Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,10,00,000 (One Crore and Ten Lakh) Preference Shares of Rs.10/ (Rupees Ten only) each with power to the Company to increase or reduce or modify the said Capital and to divide the Shares for the time being of the Company into several classes and attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors of the Company or the Company Secretary be and are hereby authorised severally to take all such steps and actions and give such directions as they may in their absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by authority of this resolution.”

##### **2. To consider and approve proposal of ESOS:**

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 Section 62(1)(b) of Companies Act 2013, Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 as amended, modified or re-enacted from time to time, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Shareholders be and is hereby accorded to the Employee Stock Option Scheme 2017 (“ESOS 2017”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person

(s) who are in permanent employment of the Company, in India or out of India, including any director of the Company, except an employee/director who is a promoter or belongs to the promoter group as defined in SEBI Regulations, options exercisable in to not exceeding 5,00,000 Equity shares of the Company ["Equity Share(s)"] under the ESOS 2017, in one or more tranches to the present and future employees of the Company which term shall be deemed to include the Subsidiary(s) and Holding Company as well , and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority; each option would be exercisable for one Equity Share of the face value of Rs.10/- each fully paid-up on payment of the requisite exercise price to the Company, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the Employee Stock Option Scheme 2017 ("ESOS2017") and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares.

**RESOLVED FURTHER THAT** the Board at its discretion or in order to comply with any applicable rules or guidelines add/amend or put restrictions or any other conditions as it may deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the scheme(s) on the stock exchanges, where the securities of the Company are listed as per the provisions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, as amended, modified or re-enacted from time to time, the Memorandum and Articles of Association of the Company, SEBI Regulations and any other applicable laws.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company in this regard."

**3. To consider and approve issue of Shares under ESOS Scheme to employees of Holding and Subsidiary Company:**

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

**"RESOLVED THAT** pursuant to Regulation 6(3) of the SEBI (Share Based Employee Benefits) Regulations, 2014, such other provisions of law as may be applicable from time to time, the approval and consent of the Shareholders be and is hereby accorded to grant the stock options under ESOS 2017 to the present and future, permanent employees of the holding and subsidiary Company(ies) and their Director(s) whether whole time director or not excluding independent director's, if any, from to time, on such terms and condition as may be decided by the Board.

**RESOLVED FURTHER THAT** Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution) for the purpose of giving effect to the above resolution, be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company in this regard."

**4. To consider and approve the appointment of Mr. Abhishek Asit Javeri as Executive Director and his remuneration thereon:**

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

**"RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 read with rules including any statutory modification(s) or re-enactment(s) and Schedule V of the Companies Act, 2013, Mr. Abhishek Asit Company be and is hereby appointed as an Executive Director of the Company for period of 3 years with effect from 1st April, 2016 as well as the payment of salary, commission and perquisites (hereinafter referred to as 'remuneration') upon the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Abhishek Asit Javeri, a draft of whereof is placed before this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board and Mr. Abhishek Asit Javeri.

**RESOLVED FURTHER THAT** subject to further approval of the Central Government if required, in the event of loss or inadequacy of profits in any financial year, aforesaid remuneration by way of salary, allowances and perquisites shall be payable to Mr. Abhishek Asit Javeri as minimum remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**5. To consider and approve issue of Sweat Equity Shares:**

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 Section 54 of the Companies Act 2013, SEBI (Issue of Sweat Equity) Regulations 2002, Rule 8 of Companies (Share Capital and Debenture) Rules 2014, such other provisions of law as may be applicable from time to time, consent of the member be and hereby accorded to issue 11,4319 Sweat Equity Shares for the services rendered by Mr. Abhishek Asit Javeri since 01st April, 2016 on the basis of the valuation report dated 24th April, 2017 received from Hem Securities Ltd.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as maybe necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company in this regard."

**Registered Office :**  
HiraBaug, 1st Floor,  
Kasturba Chowk, (C.P. Tank),  
Mumbai-400004  
CIN:L24110MH1973PLC016698  
Date: 24th April, 2017

**By Order of the Board of Directors  
For Sadhana Nitro Chem Limited**

**Nitin Rameshchandra Jani  
Company Secretary  
Membership No: 4757**

**NOTES:**

1. The statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business as set out in the Notice is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members 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. Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

3. The Company has appointed M/s. Link Intime India Private Limited (RTA), C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, as Registrars and Share Transfer Agents for Physical Shares. The said RTA is also the Depository interface of the Company with both NSDL & CDSL. Their Telephone No. 022-49186270, E-mail address: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
5. Electronic copy of the Notice is being sent to all the Members whose e-mail addresses are registered with the Company/depository participants(s) for communication purpose unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of the Notice is being sent in the permitted mode. Members may note that this Notice will also be available on the Company's website i.e. [www.sncl.com](http://www.sncl.com)
6. The route map showing directions to reach the venue of the EGM is annexed and forms part of the Notice
7. All documents including those related to the proposed ESOS 2017 referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company during the business hours on all working days, except Saturdays, Sundays & Public Holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Extra Ordinary General Meeting and will also be available at the meeting.

8. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and Link Intime India Private Limited (RTA), or to the Company at its Registered Office in respect of their physical shares.
9. Attendance Slip and Proxy Form is annexed. Members are requested to affix their signature at the space provided in the Attendance Slip and hand over the same at the entrance to the place of meeting.
10. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Members desiring any information are requested to write to the Company 10 days in advance
12. 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 reports, Notices, Circulars, etc. from the Company electronically.

### **13. Voting through electronic means:**

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Secretarial Standard on General Meeting (SS-2) issued by the The Institute of Company Secretaries of India, the members are provided with the facility to cast their votes electronically, through e-voting services provided by the National Securities Depository Limited (NSDL) on the resolutions set forth in this notice. The Members may cast their votes using electronic voting systems from a place other than the venue of the Extra Ordinary General Meeting (EGM) (remote e-voting). The instructions for e-voting are given herein below. The resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at EGM.
- ii. The facility for voting either through electronic voting systems or ballot paper shall be made available at EGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the EGM.
- iii. The Members who have cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.
- iv. The remote e-voting period commence on 19th May, 2017 (9:00 A.M) to 21st May, 2017 (5:00 P.M). During the period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th May, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

#### **The instructions for e-voting are as under:**

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:
  - (i) Open email and open PDF file viz; "remote e-voting.pdf" With your client ID of Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdcl.com/>
  - (iii) Click on Shareholder – Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" (E-voting Event Number) of Sadhana Nitro Chem Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional & Corporate 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting.sadhananitro@sncl.com](mailto:evoting.sadhananitro@sncl.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

A. In case a Member receives physical copy of the Notice of EGM [for members whose email IDs are not registered with the Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the EGM

EVEN (E Voting Event Number)	USER ID	USER ID PASSWORD/PIN
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(ii) Please follow all steps from Sl. No. A (ii) to Sl. No. A (xii) above, to cast vote.

II. 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 Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990.

C. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

D. 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).

E. 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 15th May, 2017.

F. 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. 15th May, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).

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" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the EGM through ballot paper.

H. Mrs. Kumudini Paranjape, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

I. The Chairman shall, at the EGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the EGM but have not cast their votes by availing the remote e-voting facility.

J. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter 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 48 hours of the conclusion of the EGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.sncl.com](http://www.sncl.com) and on the website of NSDL. The results shall simultaneously be communicated to the Stock Exchange Limited (BSE), Mumbai.

L. Members who do not have access to e-voting facility have been additionally provided the facility of voting on a Ballot form. They may send duly completed Ballot Form (enclosed with the Notice of EGM) to the Scrutiniser, Mrs. Kumudini Paranjape, Practicing Company Secretary, (Membership No. 6667), at the Registered Office of the Company or before the date of the Extra Ordinary General Meeting or can carry the same to the EGM venue and deposit in the Ballot Box during the meeting. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [evoting.sadhananitro@sncl.com](mailto:evoting.sadhananitro@sncl.com) by mentioning their Folio / DP ID and Client ID No.

M. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

**By Order of the Board of Directors  
For Sadhana Nitro Chem Limited**

**Nitin Rameshchandra Jani  
Company Secretary  
Membership No: 4757**

## **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 1:**

The existing Authorised Share Capital of the Company is Rs. 21,00,00,000/- (Rupees Twenty One Crore only) divided into 92,50,000 (Ninety Two Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,17,50,000 (One Crore Seventeen Lakh Fifty Thousand) Preference shares of Rs. 10/- (Rupees Ten only) each.

The Board has proposed to introduce Employees Stock Option Scheme 2017 ("ESOS 2017") for certain employees of the company and/or its holding/subsidiary Company and Sweat Equity to Mr. Abhishek A. Javeri, CFO and Director of the Company for his valuable service. The existing equity authorised share capital of the company is inadequate to serve the purpose. Hence, it is proposed to re-classify the authorised share capital of the company to the following position:

- (I) 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores only); and
- (ii) 1,10,00,000 (One Crore Ten Lakhs) Preference Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs. 11,00,00,000/- (Rupees Eleven Crore only).

Total aggregating to Rs. 21,00,00,000/- (Rupees Twenty One Crores only).

In order to effect the above change, 'Clause V' (Capital clause) in the Memorandum of Association shall be required to be amended appropriately by way of special resolution in accordance with Section 13 of the Companies Act 2013.

A copy of the Memorandum of Association depicting above proposed changes, is available at the registered office of the Company for inspection by Members during the business hours on all working days except Saturdays, Sundays & Public Holidays between 11.00 a.m. and 1.00 p.m. upto the date of Extraordinary General Meeting and will also be available at the meeting.

The Directors recommend the Resolution at Item No. 1 of the accompanying Notice, for the approval of the Members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution no. 1, except to the extent of their future entitlements, if any, under the ESOS and Sweat equity

### **Item No. 2 and 3:**

The human resource plays a vital role in growth and success of a Company. As a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shares value, the Company proposes to provide options to the employees. Such option shall serve as a tool of aligning interests of employees with those of the Company and enable the Company to attain growth in an environment that increasingly demands global competitiveness. This will also help Company in attracting, motivating and retaining the best talent.

The Nomination and Remuneration Committee and Board of Directors have approved the "Employee Stock Option Scheme 2017" (ESOS 2017) subject to the approval of the Members and the provisions of the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI Regulations") as amended from time to time.. The main features of the ESOS 2017 and other details of the Scheme as per Regulation 6(2) of SEBI (SBE) Regulations, 2014, are as under:-

- A. Brief description of the Scheme:  
The Scheme shall be called as the 'Employee Stock Option Scheme 2017 ("ESOS 2017") and shall extend its benefits to the present and/or future permanent employees of the Company, its subsidiaries and/or holding company in accordance with the applicable laws.
- B. Total number of Options to be granted:  
The maximum number of options to be granted to the eligible employees of the Company Its Holding Company and of its subsidiaries and the resulting equity shares that may be issued pursuant to the exercise of options in the ESOS 2017 shall not exceed 5,00,000 fully paid Equity Shares of Rs. 10/- each.
- C. Identification of the Class of employees entitled to the Scheme:  
Identification of employees eligible to participate in the ESOS 2017 and grant of options to identified employees will be based on such parameters as may be decided by the Nomination and Remuneration Committee in its discretion from time to time. Employees for this purpose will mean employees in the permanent employment of the Company and/or of its subsidiaries and/or its holding company, present & future, including under fixed period contract and whether employed in India or outside India. But directors of the Company and any employee who is a promoter or belongs to promoter group will not be covered by this scheme.

**D. Requirements and Period of Vesting:**

- i. The vesting may happen in one or more years over a period as determined by Nomination and Remuneration Committee.
- ii. The vesting of options will be linked to achievement of such financial targets as the Nomination and Remuneration Committee may set in the context of the Company's future growth plans.
- iii. The vesting period may vary from allottee to allottee based on various attending circumstances, and shall be at the exclusive discretion of the Nomination and Remuneration Committee, but shall never be less than the minimum vesting period stipulated, if any, under SEBI Regulation and/or provisions of any attending statutory enactments.
- iv. Except in case of retirement, demise or permanent incapacity, continuation of the Employee in the service of the Company or its subsidiaries or holding company, as the case may be, shall be a primary requirement for the vesting of the options. The Nomination and Remuneration Committee shall formulate the other requirements of vesting, which may, inter alia, include individual performance, efficiency or productivity criteria.
- v. The maximum vesting period of options shall be not more than one year from the date of grant of options or such period as may be determined by the Nomination and Remuneration Committee.
- vi. In the event of the death of an employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee, and in the event of permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation shall vest in him on that date.

**E. Exercise Price:**

All Options would be granted at such price as determined by the Nomination and Remuneration Committee, subject to SEBI regulations.

**F. Exercise Period and the Process of Exercise:**

The exercise period of the shares will be 3 years from the date of vesting or such period as determined by the Nomination and Remuneration Committee. The options shall be deemed to have been exercised when an Employee makes an application in writing to the Company for the issuance of Equity Shares against the options vested in him, or for encashment under cashless scheme as provided in SEBI Regulations. Upon the expiry of exercise period, the options granted and vested under ESOS 2017 shall not be exercisable and shall lapse. However, the lapsed options shall be available for fresh issue, unless cancelled by the Board.

**G. Appraisal Process for Determining the Eligibility of employees:**

The appraisal process for determining the employees, to whom the options shall be granted, shall be based upon the performance of the Employees as indicated by the annual performance appraisal, minimum period of service, the status of the Employees in the Company and other factors deemed relevant by the Nomination and Remuneration Committee.

**H. Maximum Number of Options to be issued per employee and in aggregate:**

The maximum number of options granted to the identified employees during any one year, shall not exceed 1% of the issued capital of the Company at the time of grant of Option. The maximum number of options granted to the employees in aggregate shall not exceed 5,00,000 fully paid Equity Shares

**I. Maximum quantum of benefits to be provided per employee under the scheme (s):**

The maximum quantum of benefit per employee shall be determined by Nomination and Remuneration committee which shall in no case exceed 1 % per employee of the paid-up share capital.

**J. Whether the Scheme is to be implemented and administered directly by the Company or through a trust or both:** By the Company

**K. The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc:** Not Applicable

**L. Maximum Percentage of Secondary acquisition that can be made by the trust for the purposes of the scheme(s):** Not Applicable

**M. Accounting Policies and Disclosures:**

The Company will confirm to the disclosures and the accounting policies prescribed under SEBI Regulations and by other regulatory authorities from time to time.

**N. Method to be used to determine the Value of the Options:**

The Company shall use such method of valuation, to value the options granted under this scheme, as determined by the Nomination and Remuneration Committee to be appropriate in accordance with the applicable accounting standards.

**O. In case the Company opts for exercising of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it has used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share (EPS) of the Company shall be disclosed in the Directors' Report.**

- P. The Board of Directors subject to SEBI Regulations may make any modifications, changes and variations in the terms and conditions of the Scheme including but not limited to those relating to exercise price, eligibility criteria, number of options etc. to reflect fair adjustment needed including in the event of intervening corporate action such as bonus issue, rights issue, change in capital structure, mergers etc.

As per SEBI Regulation any scheme offering stock options to the employees must be approved by the members by way of special resolution. Also since the said scheme will entail further shares to be offered to persons other than existing members of the Company, consent of the members by way of special resolution is required as per Section 62 of the Companies Act, 2013 read along with rules framed thereunder.

Furthermore, in terms of the SEBI Regulation, a separate resolution is required to be passed if the benefits under the scheme are also to be extended to the employees of subsidiary and/or holding companies. A resolution is proposed accordingly under item no. 3 to cover the Employees of subsidiary and/or holding companies of the Company.

The Directors recommend the Resolution at Item No. 2 and 3 of the accompanying Notice, for the approval of the Members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution no 2 and 3, except to the extent of their future entitlements, if any, under the ESOS.

**Item No. 4:**

On the recommendation of the Nomination and Remuneration Committee and subject to approval of Members, the Board of Directors in their meeting held on 10th February, 2016 have appointed Mr. Abhishek Asit Javeri as Executive Director of the Company for a period of 3 years with effect from 1st April, 2016 and fixed the remuneration payable to him.

Mr. Abhishek Asit Javeri joined the Board as Non-Executive Director in 24th January, 2007. He was appointed as Chief Financial Officer on 10th February, 2016. The Board further in its meeting held on 10th February, 2016 designated Mr. Abhishek A Javeri as Executive Director with effect from 01st April, 2016. He has not drawn any remuneration since his appointment till 31st March, 2016

The Board of Directors of the Company keeping in view his exemplary contribution to the progress of the Company and having regard to the provisions in respect of Managerial Remuneration as per Companies Act, 2013, thought it justified to appoint him as Executive Director of the Company and pay him remuneration, within the overall limits specified in the Schedule V of the Companies Act, 2013.

It is proposed to pay, subject to approval of the members, the following remuneration to them which is commensurate with their experience and responsibilities of heading a company of this size.

- i. Basic Salary and Annual Increment:

Sr No	Particulars	Mr. Abhishek Asit Javeri
1	Basic Salary	Rs.2,30,000/- p.m.,
2	Annual Increment	Rs.20,000 per month on every April during the tenure of the agreement.

- ii. Perquisites and allowances:

In addition to the above Salary, he will be entitled to the perquisites and allowances like house rent allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, education allowance, medical reimbursement, club fees and such other perquisites and allowances in accordance with the rules of the company or as may be agreed by the Board of Directors on recommendation of Nomination & Remuneration Committee (NRC). However, such perquisites and allowances will be subject to a maximum ceiling of 70% of his basic annual salary

- A. In addition to above, he shall be entitled to leave travel allowance for self and family, mediclaim and personal accident policy cover.
- B. In addition to above, he shall also entitled to annual performance allowance not exceeding 35% of annual basic salary as may be decided by the Board on recommendation of Nomination and Remuneration Committee.

- C. For the purpose of calculating the above ceiling, on the perquisites and allowances, the perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
- D. Family for the above purpose means spouse, dependent children and dependent parents of the managerial personnel.
- E. In addition to above perquisites he shall also be entitled to following benefits which will not be included in computation of ceiling on perquisites.
- Company's contribution to Provident Fund, Family Pension Fund and superannuation or annuity fund to the extent these either singly or together are not taxable under the Income Tax Act.
  - Gratuity payable as per the Rules of the Company.
  - Encashment of leave accumulated but not availed of during the tenure.
  - Provision of Company's car for official duties with driver.
  - Free telecommunication facility at the residence.
  - He will be permitted to encash leave while in service as in case of other employees of the company.
- F. In the event of loss or inadequacy of profits during the aforesaid period, aforesaid remuneration not exceeding the limits specified in Schedule V shall be payable to them as a minimum remuneration.
- G. The terms and conditions of the said reappointment and/or remuneration and/or agreement may be altered and varied from time to time by the Board as it may, in its, discretion, deem fit.

The agreement may be terminated by either party by giving the other party six months' notice or by any shorter notice as may be mutually agreed to between the parties.

he shall not, so long as he function as such, become interested or otherwise concerned directly or through his spouse and / or minor children in any selling agency of the Company in future without prior approval of the Central Government.

So long as they function as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

In compliance with the provisions of Section 196 & 197 Companies Act, 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act 2013, the terms of remuneration specified above are now being placed before the members in the General Meeting for their approval.

The draft agreement between the company and Mr. Abhishek A. Javeri is available for inspection by the members at the registered office of the Company.

This may be treated as an abstract of the terms of appointment of Mr. Abhishek A. Javeri and the memorandum of interest pursuant to section 190 of the Companies Act, 2013.

The Directors recommend the Resolution at Item No. 4 of the accompanying Notice, for the approval of the Members of the Company by way of a Special Resolution.

**Additional information for the shareholders, as required under Schedule V to the Companies Act, 2013 and to the extent applicable to the Company / Appointee is given below**

**1. General Information:**

- Nature of Industry:** The Company is engaged in the Manufacturing of various chemical intermediates.
- Date or expected date of commencement of commercial production:** The Company was incorporated on 21st July, 1973 and Certificate for Commencement of Business was issued on 10th September, 1973.
- Financial performance based on given indicators:** as per published audited financial results for the year ended 31<sup>st</sup> March, 2016:

Particulars	Amount (in Rs.)
Sales and Other Income	35,23,86,020
Profit/loss before tax	(4,84,42,240)
Provision for tax and Deffered tax	-
Profit after tax	(4,84,42,240)

- Foreign Investment or Collaborators:** This is not applicable.

**1. Information about the Appointee: Mr. Abhishek Asit Javeri**

**i. Background details:**

Mr. Abhishek Asit Javeri, aged 35 years and having graduation in Economics from North Western University, USA joined the Company in 2007 and acted as an Non-Executive Director. He was further appointed as Executive Director and Chief Financial Officer and on 10th February, 2016. He has an experience of 10 years and has been associated with the Company for 10 years.

**ii. Past remuneration drawn:**

For 2013-14, 2014-15, 2015-16 the remuneration drawn by Mr. Abhishek Asit Javeri was Nil

**iii. Recognition or Rewards (Guarantee Commission payable): Nil**

**iv. Job profile and suitability:**

Since his appointment as an Executive Director and Chief Financial Officer, Mr. Abhishek Asit Javeri has been entrusted with overall responsibility with respect to finance. He is a graduate from Economics. He imbibed stringent financial control, better working capital management by stringent monitoring of cash flow He has taken several initiatives to improve working capital requirement and cash flow of the Company.

**v. Remuneration proposed:**

The remuneration package is given in detail in the explanatory statement. However, the same is summarized hereunder:

Sr. No	Particulars	Shri Abhishek A. Javeri
a)	Salary	Rs.2,30,000/-
b)	Perquisites & Allowances	Maximum 70% of salary
c)	Performance Allowance	Not exceeding 35% of annual salary as maybe decided by the Board
d)	Minimum Remuneration in case of inadequacy of profits during any financial year	Remuneration as above will be minimum remuneration

**vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:-**

Taking into consideration the size and nature of the Company, the profile of Mr. Abhishek Javeri, the responsibilities shouldered by him and the industry benchmarks, the aforesaid remuneration is commensurate with the remuneration package paid to similar senior level positions in other companies.

**vii. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:-**

Besides the remuneration proposed, Mr. Abhishek Asit Javeri do not have any other pecuniary relationship with the Company except that Mr. Asit D. Javeri is the Father and Mrs. Seema A. Javeri is the Mother of Mr. Abhishek Javeri

**viii Other Information:**

- Reason for loss or inadequate Profit:** The Company faced liquidity crunch and could not achieve higher operating level due to paucity of working capitals.
- Steps taken or proposed to be taken for improvement:** All efforts are being made to stream line the production for achieving the optimum operating level, coupled with aggressive marketing, improving market share of the Company and stringent cost control at all operating level is expected, barring unforeseen circumstances, to improve overall performance of the Company..
- Expected increase in productivity and profits in measurable terms:** The Company is expecting an increase in turnover by 40-50 % .per year over the next 3 years along with stringent cost control and efficient utilization of working capital which is likely to result in improve profitability.

Keeping in view the rich and varied experience that Mr. Abhishek A. Javeri has and his long association with the Company, it would be in the interest of Company to appoint him as Executive Director of the Company.

None of the Directors or Key Managerial Personnel of the Company except Mr. Asit Javeri being father and Mrs. Seema Javeri being Mother of the Mr. Abhishek Asit Javeri. are related to him

**Item No. 5:**

The members of the Company are hereby informed that in consideration of the services rendered by Mr. Abhishek Asit Javeri, Chief Finance Officer and Executive Director, full time, the Board in its meeting held on 10th March, 2017 has decided to issue sweat equity shares to him, in substitution and not in addition to the remuneration due to him for 01st April, 2016 to 31st March, 2017. The Board of Directors recommends to issue and allot 11,4319 Sweat Equity Shares of Rs. 10/- each to Mr. Abhishek Asit Javeri

The directors hereby affirm and confirm that the Company shall adhere to the accounting policies as specified by the Securities and Exchange Board of India, from time to time, in respect of the treatment and disclosure of this proposed Sweat Equity issue.

**Disclosures in accordance with Regulation 6(3) of SEBI (Issue of Sweat Equity Shares) Regulations 2002 :**

Sr. No	Particulars	Relevant Disclosure
a.	Total no. of shares to be issued as sweat equity	11,4319
b.	The current market price of the shares of the company	Rs. 52.40/-
c.	The value of the intellectual property rights or technical know-how or other value addition to be received from the employee or director along with the valuation report / basis of valuation.	Rs.50,23,200 /-
d.	The names of the employees or directors or promoters to whom the sweat equity shares shall be issued and their relationship with the company	Mr. Abhishek Asit Javeri, Chief Financial Officer and Executive Director. He is associated with company since 24th January, 2007 as Director and since 10th February, 2016 as CFO
e.	The consideration to be paid for the sweat equity	The shares are allotted in lieu of part of the remuneration payable to Mr. Abhishek Javeri
f.	The price at which the sweat equity shares shall be issued	Rs.43.94/-  (As per valuation report by merchant banker, the price shall not be less than Rs. 43.94)
g.	Ceiling on managerial remuneration, if any, which will be affected by issuance of such sweat equity	The remuneration paid is within the limit set under Section 197 read with Schedule V of the Companies Act, 2013.
h.	Diluted Earnings Per Share pursuant to the issue of securities to be calculated in accordance with International Accounting Standards / standards specified by the Institute of Chartered Accountants of India.	N.A  Since the Company has incurred loss during the F.Y. 2015-16

Particulars in respect in terms of Rule 8(2) of Companies (Share Capital and Debenture) Rules, 2014:

Sr. No	Particulars	Relevant Disclosure
a.	the date of the Board meeting at which the proposal for issue of sweat equity shares was approved	10th March, 2017
b.	the reasons or justification for the issue	To compensate Mr. Abhishek Javeri for his exemplary contribution towards the operating performance of the Company during the financial year 2016-2017
c.	The class of shares under which sweat equity shares are intended to be issued	Equity
d.	The total number of shares to be issued as sweat equity	11,4319

e.	The principal terms and conditions on which sweat equity shares are to be issued, including basis of valuation	<p>1. The Sweat Equity Shares issued will be treated as a part of managerial remuneration for the purpose of applicable provisions of the Companies Act, 2013.</p> <p>2. The Sweat Equity Shares shall be Lock-in for a period of 3 years from the date of allotment</p> <p>3. Valuation as per Merchant Banker's Report.</p>
f.	the time period of association of such person with the company	Mr. Abhishek Javeri is serving as the Director of the Company since January, 2007 and as CFO since February 2016
g.	the names of the directors or employees to whom the sweat equity shares will be issued and their relationship with the promoter or/and Key Managerial Personnel	Mr. Abhishek Asit Javeri is the son of Mr. Asit Javeri, Managing Director and Mrs. Seema Javeri, Whole-time Director He also is currently on the Board of Manekchand Panachand Trading Investment Company Private Limited, Holding Company.
h.	the price at which the sweat equity shares are proposed to be issued	Rs. 43.94/-  (As per valuation report by merchant banker, the price shall not be less than Rs. 43.94)
i.	the consideration including consideration other than cash, if any to be received for the sweat equity	The shares are allotted in lieu of part of the remuneration for the F.Y 2016-17 payable to Mr. Abhishek Javeri
j.	The ceiling on managerial remuneration, if any, be breached by issuance of such sweat equity and how it is proposed to be dealt with.	The remuneration paid is within the limit set under Section 197 read with Schedule V of the Companies Act, 2013.
k.	Diluted Earning Per Share pursuant to the issue of sweat equity shares, calculated in accordance with the applicable accounting standards. (Based on the Financial Statement of 31st March, 2016)	N.A  Since the Company has incurred loss during the F.Y. 2015-16

**Disclosures in accordance with Secretarial Standard 2:**

The following are the details of Mr. Abhishek Asit Javeri, Executive Director & CFO:

Age : 35 years  
Qualification : BA in Economics from North Western University, USA  
Experience : Over 10 years  
Terms & Conditions of appointment : As mentioned in the Explanatory Statement  
Remuneration last drawn : NIL  
Remuneration sought to be paid : Rs.49,14,000/- p.a.  
Date of first appointment on the Board : 24th January, 2007  
Shareholding in the Company : 37,100 Equity Shares  
Relationship with other director/manager/KMP of the Company: Son of Mr. Asit D. Javeri, Managing Director and Mrs. Seema Asit Javeri, Whole-time Director of the Company  
No. of meetings of the Board attended during the year: 3  
Details of directorship of other boards or membership/chairmanship of committees of other boards:

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Manekchand Panachand Trading Investment Company Private Limited	--
2. Lifestyle Networks Ltd	--
3. Chandra Net Private Limited	--
4. Strix Wireless Systems Private Limited	--
5. Strix System Inc. USA.	--
6. Ahana Inc. USA.	--
7. Spidigo Net Pvt. Ltd	--

The directors recommend the resolution for Members approval by Special Resolution.

Other than Mr. Abhishek Asit Javeri and Mr. Asit D. Javeri, Managing Director, Seema A. Javeri, Whole-time Director no other director, manager and KMP are interested in respect of the aforesaid resolution.

**Registered Office :**  
HiraBaug, 1st Floor,  
Kasturba Chowk, (C.P. Tank),  
Mumbai-400004  
CIN:L24110MH1973PLC016698  
Date: 24th April, 2017.

**By Order of the Board of Directors  
For Sadhana Nitro Chem Limited**

**Nitin Rameshchandra Jani  
Company Secretary  
Membership No: 4757**

**SADHANA NITRO CHEM LIMITED**

CIN: L24110MH1973PLC016698

Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400 004

Tel. 022-23865629 Fax 022-23887235 E-Mail: sadhananitro@sncl.com, Website:www.sncl.com

**Form No. MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
No. of Shares held:	
Folio No / DP Id & Client Id:	
Joint Holder (s):	
E-mail Id:	

I/We, being the member (s) of \_\_\_\_\_ shares of Sadhana Nitro Chem Limited, hereby appoint:

1. Name: .....Address:

E-mail Id: .....Signature: .....or failing him / her

2. Name: .....Address:

E-mail Id: .....Signature: .....or failing him / her

3. Name: .....Address:

E-mail Id: .....Signature: .....or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TENTH EXTRA ORDINARY GENERAL MEETING (EGM) of the Company to be held on Monday, 22nd May, 2017 at 11.00 a.m. at Seth Hirachand Gumanji Trust Hall, Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai-400 004

Resolution No.	Optional *	
	For	Against
1.Re-classification of Authorised Share Capital and consequent Alteration of Memorandum of Association		
2.Considering and approving ESOS 2017		
3.Considering and approving issue of Shares under ESOS 2017 to employees of Holding Company and Subsidiary Company		
4.Considering and approving the appointment of Mr. Abhishek Asit Javeri as Executive Director and his remuneration thereon		
5.Considering and approving issue of Sweat Equity Shares to Mr. Abhishek A. Javeri		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature of Shareholder\_\_\_\_\_  
Signature of Proxy holder(s)Please affix  
Revenue  
Stamp of  
Rs. 1/-**Notes:**

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 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.

Land Mark: C.P.Tank Circle, Bhuleshwar  
Route Map

