

## CHD CHEMICALS LIMITED

(CIN-L24232CH2012PLC034188)

**Registered Office:** Plot No. 45, First Floor, Industrial Area, Phase - 1, Chandigarh - 160001  
**Tel. No.:** - 0172-5086877/ 2639019, **Email:** - info@ccichd.com **Website:** -www.chdchemicalsltd.com

---

### NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra-Ordinary General Meeting of the Members of **CHD CHEMICALS LIMITED** will be held at Registered Office situated at Plot No. 45, First Floor, Industrial Area, Phase - 1, Chandigarh - 160 002 on Tuesday, 14<sup>th</sup> March, 2017 at 11.00 a.m. to transact the following business:

**1. Increase the Authorised Share Capital and consequent alteration of the Memorandum of Association of the Company.**

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

**“RESOLVED THAT** pursuant to the provision of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provision of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 6,00,00,000 ( Rupees Six Crore) divided into 60,00,000 (Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each, be and is hereby increased to Rs. 11,00,00,000 ( Rupees Eleven Crore) divided into 1,10,00,000 (One Crore Ten Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

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

**“V.** The Authorised Share Capital of the Company is Rs. 11,00,00,000 (Rupees Eleven Crore) comprising of 1,10,00,000 (One Crore Ten Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.”

**RESOLVED FURTHER THAT,** for the purpose of giving effect to this Resolution, the Director’s and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

## 2. Preferential Issue of Share Warrants:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956 (as amended) (without reference to the provisions that have caused to have effect upon notification of provisions of the Act) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions of preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended the Foreign Exchange Management Act, 1999, as amended and the rules, regulations, notifications and circulars issued thereunder and the consolidated FDI Policy dated June 07, 2016 (the “Foreign Exchange Regulations”), as amended and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) and the Reserve Bank of India (“RBI”) and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the “Board”, which term includes a duly constituted and authorized committee) and all such other approvals, the consent of the Members of the Company be and is hereby accorded to the Board to offer, issue and allot **49,00,000 (Forty Nine Lakhs) convertible warrants at a Price of 10/- each** on preferential basis in one or more tranches, convertible into 49,00,000 (Forty Nine Lakhs) Equity Shares (One Equity Share for one warrant issued) of the Company of the face value of 10/- each to the following categories of persons for cash which shall upon conversion rank *pari-passu* with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with SEBI (ICDR) Regulation, 2009 or other provisions of the law as may be prevailing at the time.

Sr. No.	Name of the proposed Allottees	Permanent Account Number	No. of Warrants to be issued	Issue Price of Each Warrant (In Rupees)
1.	Ankit Trade & Investment Private Limited	AAJCA6606Q	1200000	10.00
2.	Divya Kothari	AVAPK8357M	600000	10.00
3.	Kitabwati Kothari	ABCPK2472P	200000	10.00
4.	Ankit Kothari	DGEPK5582A	100000	10.00
5.	Kothari Trade Investment Private Limited	AAECK1666K	1030000	10.00
6.	Dharmendra Choudhary	AEWPC5318D	150000	10.00
7.	Dilip Rao	AGJPR7680N	140000	10.00
8.	Kuldeep	BPZPK4134C	100000	10.00
9.	Jagdish Prasad Arya	ADOPA0284F	90000	10.00
10.	Vikram Singh	AEBPS1964A	80000	10.00

Sr. No.	Name of the proposed Allottees	Permanent Account Number	No. of Warrants to be issued	Issue Price of Each Warrant (In Rupees)
11.	Amit Kothari	EDPPK7756H	80000	10.00
12.	Virendra Kumar	EDUPK5645G	80000	10.00
13.	Ram Singh Pawariya	CYUPP8293G	80000	10.00
14.	Munish	CSTPM2863A	80000	10.00
15.	Ajmer Singh	DCMPS3507P	80000	10.00
16.	Naresh Pawariya	APBPP0938C	80000	10.00
17.	Ajay Bansal	ASKPB6415C	80000	10.00
18.	Shrikant Sharma	AXFPS7286Q	70000	10.00
19.	Inder Singh	ACBPS0963P	70000	10.00
20.	Ramji Lal	ABKPL6008J	70000	10.00
21.	Santosh Rani	BVLPR4735C	60000	10.00
22.	Bimla Devi	AJMPD8150D	50000	10.00
23.	Satyaveer Singh Dangi	ACUPD0737B	50000	10.00
24.	Divyanshu Pathak	CYTPP8137J	50000	10.00
25.	Kamal Kumar Shah	ASQPS4597Q	50000	10.00
26.	Pankaj Choudhary	BDSPC9587J	50000	10.00
27.	Sumangla Shah	ADAPS8810K	35000	10.00
28.	Amit Dangi	AWZPD1849B	35000	10.00
29.	Sharvan Kumar	EFIPK2530E	30000	10.00
30.	Bhoja Ram	CDHPR7566J	30000	10.00
	<b>Total</b>		<b>49,00,000</b>	

**RESOLVED FURTHER THAT** the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (ICDR) Regulation, 2009, shall be 30 days prior to the date of the Extraordinary General Meeting (EGM) at which the approval of the shareholders in terms of Section 62(1) (c) & section 42 of the Companies Act, 2013 is obtained .i.e., 10<sup>th</sup>February, 2017.

**RESOLVED FURTHER THAT** a) each warrant be convertible into one Equity Share can be exercised at any time within a period of 18 months from the date of issue of such Warrants and on such other terms and conditions, subject to SEBI (ICDR) Regulation, 2009, as may be applicable, from time to time.

b) In accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, 25% of the consideration payable for the warrants (and the equity shares into which they are converted), shall be paid by the proposed allottees to the Company upon issue and allotment of the warrants.

c) The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants.

d) Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank *pari-passu* in all respects with the then existing fully paid-up Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Board be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration (s) or amendment (s) or corrections as they may deem fit and appropriate and give such directions/ instructions as may be necessary to settle any questions, difficulties or doubts that

may arise in regard to the offer, issue or allotment of the said securities and with a power to change the number of warrants hereby created, issued and offered to the person (s) referred above and within the limit mentioned above and also to seek listing of such securities at the Stock Exchanges where the existing securities are listed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.”

**Place:** Chandigarh

**Date:** 17/02/2017

By and on behalf of the Board  
For **CHD Chemicals Limited**

Sd/-

**Harsimran Jit Kaur**  
**Company Secretary**

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the items of Special Business as set out above is annexed hereto.
2. A Member entitled to attend and vote at the Extra-ordinary General Meeting (EGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the EGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing is given to the Company.
4. Members/Proxies should bring the duly filled in and signed attendance slip mentioning therein details of their DP ID and Client ID/ Folio No. which is enclosed herewith to attend the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that

service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Registrar and Share Transfer Agent having its at Cameo Corporate Services Ltd ,Submaramanian Building, 1 Club House Road, Chennai, Tamil Nadu - 600002.

The Notice of the EGM is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice of EGM will also be available on the Company's website viz. [www.chdchemicalsltd.com](http://www.chdchemicalsltd.com) The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chandigarh for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: Mail: [info@ccichd.com](mailto:info@ccichd.com)

**Place:** Chandigarh  
**Date:** 17/02/2017

By and on behalf of the Board  
For **CHD Chemicals Limited**  
Sd/-  
**Harsimran Jit Kaur**  
**Company Secretary**

**EXPLANATORY STATEMENT**  
**Pursuant to Section 102(1) of the Companies Act, 2013**

**Item No.1:**

Presently the existing Authorised Share Capital of the Company is Rs. 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. Due to Preferential Issue of Share Warrants of 49,00,000 (Forty Nine Lakhs), it is necessary to increase the Authorised Share Capital to Rs. 11,00,00,000 (Rupees Eleven Crore) comprising of 1,10,00,000 (One Crore Ten Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

The alteration to the Capital Clause of Memorandum of Association of the Company is consequent upon increase in the Authorised Share Capital.

Due to Preferential Issue of Share Warrants of 49,00,000 (Forty Nine Lakhs), the Authorised Share Capital of the Company needs to be increased. A change to the Authorised Share Capital of the Company necessitates an amendment to Clause V of Memorandum of Association of your Company.

As per Provisions of the Companies Act, 2013, any increase in Authorised Share Capital and consequent amendment to Memorandum of Association of the Company requires consent and approval of Members of the Company.

The Board of Directors recommends the Resolution in Item No. 1 of the Notice for approval by the Members.

None of the Promoters, Directors, Managers and Key Managerial Personnel of the Company or their relatives are interested in the resolution(s) No. 1 of the accompanying Notice.

The Board recommends passing of the resolution set out at Item No. 1 as an Ordinary Resolution.

**Item No.2:**

The Company is engaged in the business of trading and distribution of high quality chemicals and dyes for textiles industry, leather, and paper industries. Company also deals in construction chemicals. In order to expand its existing activities more vigorously and increase its competitiveness in the market, it needs to strengthen its financial position by augmenting long term resources. To further expand the activities of the Company, the Company requires funds on long term basis. To raise the funds from the public by way of issue of further share capital is a time consuming and costlier considering the size of the funds. To meet this situation, the promoters of the Company as well as some other investors have agreed to invest funds in the Company by way of convertible warrants (One Equity Share for one warrant issued) at a Price of 10/- each on preferential basis in one or more tranches. In the circumstances the Board of Directors of the Company thought it prudent to create, offer and allot convertible warrants on preferential basis.

The information as required under SEBI (ICDR) Regulations and the Companies Act, 2013 and the rules framed there under, are as under:

**a) Objects and Issue Price:**

With an objective to accomplish the Company's strategic vision to expand its existing activities more vigorously and increase its competitiveness in the market and to augment funds for the purpose of working capital requirements and for general corporate purpose.

**The convertible warrants will be allotted at a price of 10/- (Rupees Ten only) each.**

**b) The proposal of the Promoters, Directors or Key Management persons to subscribe to the offer:**

Mr. Ankit Kothari who will be subscribing to 1,00,000 convertible warrants, Ms. Divya Kothari who will be subscribing to 6,00,000 convertible warrants, Mrs. Kitabwati Kothari, who will be subscribing to 2,00,000 convertible warrants, M/s. Ankit Trade & Investment Private Limited who will be subscribing to 12,00,000 convertible warrants belong to promoter and promoter group.

Ms. Divya Kothari who will be subscribing to 6,00,000 convertible warrants is Managing Director of the Company, Mr. Ankit Kothari who will be subscribing to 1,00,000 convertible warrants is Director of the Company, Mr. Inder Singh who will be subscribing to 70,000 convertible warrants is Director of the Company, Mr. Kamal Kumar Shah who will be subscribing to 50,000 convertible warrants is CFO of the Company, Mrs. Sumangla Shah who will be subscribing to 35,000 convertible warrants is Wife of CFO of the Company, Mrs. Kitabwati Kothari, who will be subscribing to 2,00,000 convertible warrants is Mother of Managing Director of the Company.

**c) Shareholding pattern before and after preferential issue of the capital would be as follows:**

Sr. No.	Category	Pre issue holding details as on 10.02.2017		Post issue holding details (Assuming all warrants are converted into Equity Shares)	
		Total Number of shares	% of shares of shares	Total Number of shares	% of shares of shares
A	Shareholding of Promoters & Promoter Group:				
1	Indian Promoters	20,54,726	39.45	41,54,726	41.10
2	Foreign Promoters	-	-	-	-
	<b>Sub-Total (A)</b>	<b>20,54,726</b>	<b>39.45</b>	<b>41,54,726</b>	<b>41.10</b>
B	Public Share holding				
3	Institutions	-	-	-	-
A	Financial Institutions/Banks	-	-	-	-
B	Mutual Funds & UTI	-	-	-	-
C	Venture Capital Funds	-	-	-	-

Sr. No.	Category	Pre issue holding details as on 10.02.2017		Post issue holding details (Assuming all warrants are converted into Equity Shares)	
		Total Number of shares	% of shares of shares	Total Number of shares	% of shares of shares
D	FII's	-	-	-	-
E	Foreign Venture Capital Investors	-	-	-	-
4	Non-Institutions				
(i)	Bodies Corporate	3,50,000	6.71	25,80,000	25.52
(ii)	Indian public	28,04,354	53.84	33,74,354	33.38
(iii)	NRIs	-	-	-	-
(iv)	Clearing Members	-	-	-	-
(v)	Others(Trusts)	-	-	-	-
	<b>Sub-Total (B)</b>	<b>31,54,354</b>	<b>60.55</b>	<b>59,54,354</b>	<b>58.90</b>
C	Any Others: Shares held by Custodians against Depository Receipts, FCCBs etc.,	-	-	-	-
	<b>Sub-Total (c)</b>	-	-	-	-
	<b>Grand Total (A+B)</b>	<b>52,09,080</b>	<b>100.00</b>	<b>1,01,09,080</b>	<b>100.00</b>

**d) Proposed time within which the allotment shall be completed:**

The Allotment of the warrants shall be completed within 15 days from the date of the Extraordinary General Meeting provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

**e) Identity of [the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control] proposed allottee(s) of warrants and the percentage of the post issue capital that may be held by them / her on conversion of the warrants into shares:**

Sr. No.	Name & Address of the proposed Allottees	Identity of the Natural person who is the ultimate Beneficial owner	No. of Equity Shares held prior to the Preferential Allotment	Relation, if any, with the promoters or person in control of the Company	Percentage of the post issue capital that may be held by him / her on conversion of the warrants into shares
1.	Ankit Trade & Investment Private Limited	* Stated below	-	YES	11.87
2.	Divya Kothari	-	1436636	YES	20.15
3.	Kitabwati Kothari	-	90909	YES	2.88
4.	Ankit Kothari	-	527181	YES	6.20
5.	Kothari Trade Investment Private Limited	** Stated below	260000	N.A	12.76



Sr. No.	Name & Address of the proposed Allottees	Identity of the Natural person who is the ultimate Beneficial owner	No. of Equity Shares held prior to the Preferential Allotment	Relation, if any, with the promoters or person in control of the Company	Percentage of the post issue capital that may be held by him / her on conversion of the warrants into shares
6.	Dharmendra Choudhary	-	-	N.A	1.48
7.	Dilip Rao	-	-	N.A	1.38
8.	Kuldeep	-	72727	N.A	1.71
9.	Jagdish Prasad Arya	-	190000	N.A	2.77
10.	Vikram Singh	-	20000	N.A	0.99
11.	Amit Kothari	-	20000	N.A	0.99
12.	Virendra Kumar	-	20000	N.A	0.99
13.	Ram Singh Pawariya	-	30000	N.A	1.09
14.	Munish	-	30000	N.A	1.09
15.	Ajmer Singh	-	53372	N.A	1.32
16.	Naresh Pawariya	-	236681	N.A	3.13
17.	Ajay Bansal	-	130000	N.A	2.08
18.	Shrikant Sharma	-	43181	N.A	1.12
19.	Inder Singh	-	44545	N.A	1.13
20.	Ramji Lal	-	40000	N.A	1.09
21.	Santosh Rani	-	10000	N.A	0.69
22.	Bimla Devi	-	20000	N.A	0.69
23.	Satyaveer Singh Dangi	-	10000	N.A	0.59
24.	Divyanshu Pathak	-	10000	N.A	0.59
25.	Kamal Kumar Shah	-	35909	N.A	0.85
26.	Pankaj Choudhary	-	10000	N.A	0.59
27.	Sumangla Shah	-	41363	N.A	0.76
28.	Amit Dangi	-	10000	N.A	0.45
29.	Sharvan Kumar	-	20000	N.A	0.49
30.	Bhoja Ram	-	20000	N.A	0.49

**\*Ankit Trade & Investment Private Limited**

Nayyar & Company (Proprietor-Naveen Nayyar), Divya Kothari, Jagdish Prasad Arya, Naveen Kumar, Naresh Pawariya, Kapil Kumar Kothari, Kitabwati Kothari, Aggarwal Associates(Proprietor-Bajrang Lal Kedia), Vikram Kothari, Vitrag Chemicals & Plastics(Proprietor-Ranjit), N.K. Yarn(Proprietor-Kuldeep), Chandigarh Marketing Company(Proprietor- Rohitash Kothari), Inder Singh, #Kck Sales Private Limited, Krishan Gopal, Naveen Kumar Pawariya, Kuldeep, Rajbaala, Ashok Kumar, Satpaul, Shrikant Sharma, Kamal Kumar Shah, Ritu Kaushal, Reena Sharma, Diyva & Company(through its proprietor Sulochna Kothari), Jitender, Rajbala, Sachin Sharma, Ramji Lal & Sons HUF(Karta-Ramji Lal), Vikram Singh & Sons HUF(Karta-Vikra Singh), Inder Singh & Sons HUF(Karta-Inder Singh), Kavita Kothari, Mahtab Singh & Sons HUF(Karta-Mahtab Singh), Ajmer Singh, Satyaveer Singh Kothari, Vivek Badesara, Munesh, Ranjit

**# Kck Sales Private Limited**

Inder Singh, Jagdish Prasad Arya, Naresh Pawariya, Satyaveer Singh Dhanghi, Naveen Nayyar

**\*\*Kothari Trade Investment Private Limited**

Satyaveer Singh Kothari, Kamal Kumar Shah, Naresh Pawariya, Inder Singh & Sons HUF(Karta-Inder Singh), Esha Shah, Kapil Kumar Kothari, Kavita Kothari, Kuldeep, Mahtab Singh Kothari & Sons HUF(Karta-Mahtab Singh), Naveen Nayar, Raj Bala, Ranjit, Reena Sharma, Rohitash Kothari & Sons HUF(Karta-Rohitash Kothari), Sachin Sharma, Sahil Jakhar, Sangeeta Singh, Shrikant Sharma, Vikram Kothari, Vikram Kothari & Sons HUF(Karta-Vikram Singh), Harmel Dhiman, Jagdish Prasad Arya, Kuldeep Rana, Ramji Lal & Sons HUF(Karta-Ramji Lal), Inder Singh, Dinesh Kumar, Sumangla Shah, Divya Kothari

**f) Change in the Composition of the Board of Directors and Control of the Company:**

There will not be any change in the composition of the Board of Directors and control of the Company on account of the proposed preferential allotment but there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the preferential allotment.

**g) Details of the number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price are as under:**

No Preferential allotment has been during this preferential year.

**h) Disclosures Pertaining To Willful Defaulters**

Neither Issuer or Promoter or Directors are willful defaulter.

**i) Relevant Date:**

"Relevant Date" in relation to the issue Equity Shares in accordance with the SEBI (ICDR) Regulations, would be 10<sup>th</sup> February, 2017 being as 12<sup>th</sup> February, 2017 the date 30 days prior to the date of passing of this resolution is Sunday, hence 10<sup>th</sup> February, 2017 is considered as relevant date being day preceding the Weekend / Holiday.

**j) Pricing of the Issue:**

The Equity Shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR Regulations). Since the Company is listed only on SME Platform of BSE Limited ("BSE"). The trading price of securities of the Company on BSE is taken into consideration for determining the pricing of securities allotted on preferential basis as the shares of company falls under frequently traded shares in terms of Regulation 71A of the SEBI(ICDR Regulations)

Accordingly, the price per Equity Share to be issued is fixed at Rs. 10.00 which is higher of a) the average of the weekly high and low of the volume weighted price at the BSE for 26 weeks prior to the Relevant Date and b) the average of the weekly high and low of the volume weighted average prices at the BSE for 2 weeks prior to the Relevant Date

**k) Other terms of issue of shares:**

The Equity Shares converted from convertible warrants under this preferential issue proposed to be issued to Promoters / Promoter Group and Non- Promoters shall be subject to lock-in for a period of three years and one year respectively from the date of trading approval granted for the Equity Shares in accordance with the provisions of the SEBI (ICDR) Regulations (including any amendments thereto or re-enactment thereof). Provided further that not more than twenty percent of the total capital of the issuer shall be locked-in for three years from the date of trading approval. The convertible warrants would not be transferable.

The consideration towards the preferential issue of 49,00,000 convertible warrants has to be at least 25% of the total consideration payable for the warrants (and the equity shares into which they are converted), shall be paid by the proposed Allottees to the Company upon issue and allotment of the warrants. The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants by payment of balance consideration.

The entire Pre-preferential shareholding of the Proposed Allottees will be placed under lock-in as per regulation 78 of ICDR Regulations.

The total consideration will be paid in cash by proposed Allottees prior to this allotment.

**l) The Company hereby undertakes that:**

- I. the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- II. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

**m) Auditor`s Certificate:**

A copy of the certificate from a Independent Statutory Auditor, Naresh M Kumar, Chartered Accountants, certifying that the issue of the Equity Shares is being made in accordance with the requirement of SEBI (ICDR) Regulations, 2009 for Preferential Issues, will be available for inspection at the Registered Office of the Company during 3.00 P.M. to 5.00 P.M.

As per Section 62(1) (c) of the Companies Act, 2013, approval of the shareholders in the General Meeting is required for the issue of the shares by way of preferential allotment as stated in the resolution. Hence consent of the shareholders by way of special resolution is being sought for the issue of such warrants on preferential basis.

Mr. Ankit Kothari who will be subscribing to 1,00,000 convertible warrants, Ms. Divya Kothari who will be subscribing to 6,00,000 convertible warrants, Mrs. Kitabwati Kothari, who will be subscribing to 2,00,000 convertible warrants, M/s. Ankit Trade & Investment Private Limited who will be subscribing to 12,00,000 convertible warrants belong to promoter and promoter group.

Ms. Divya Kothari who will be subscribing to 6,00,000 convertible warrants is Managing Director of the Company, Mr. Ankit Kothari who will be subscribing to 1,00,000 convertible warrants is Director of the Company, Mr. Inder Singh who will be subscribing to 70,000 convertible warrants is Director of the Company, Mr. Kamal Kumar Shah who will be subscribing to 50,000 convertible warrants is CFO of the Company, Mrs. Sumangla Shah who will be subscribing to 35,000 convertible warrants is Wife of CFO of the Company, Mrs. Kitabwati Kothari, who will be subscribing to 2,00,000 convertible warrants is Mother of Managing Director of the Company.

The Board recommends passing of the resolution set out at Item No. 2 as Special Resolution.

**Place:** Chandigarh

**Date:** 17/02/2017

By and on behalf of the Board  
For **CHD Chemicals Limited**

Sd/-

**Harsimran Jit Kaur**  
Company Secretary

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

Extraordinary General Meeting on Tuesday, the 14<sup>th</sup> March, 2017 at 11.00 a.m., at the Registered Office of the Company situated at Plot No. 45, First Floor, Industrial Area, Phase - 1, Chandigarh - 160 002.

Full name of the member's attending \_\_\_\_\_  
(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Extraordinary General Meeting of the CHD Chemicals Limited held at the Registered Office of the Company situated at Plot No. 45, First Floor, Industrial Area, Phase - 1, Chandigarh - 160 002, Tuesday, the 14<sup>th</sup> March, 2017 at 11.00 a.m.

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the EGM Notice to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014 – Form No.MGT-11)

Name of the Member(s): .....  
 Registered address: .....  
 E-mail Id : .....  
 Folio No. / Client ID No. : .....DP ID No. ....

I / We, being the member(s) of ..... Shares of CHD Chemicals Limited, hereby appoint:

1. Name: ..... E-mail Id: .....  
 Address: .....  
 ..... Signature: .....

or failing him

2. Name: ..... E-mail Id: .....  
 Address: .....  
 ..... Signature: .....

or failing him

3. Name: ..... E-mail Id: .....  
 Address: .....  
 ..... Signature: .....

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the company to be held on Tuesday, 14<sup>th</sup> March, 2017 at 11.00 a.m. at Plot No. 45, First Floor, Industrial Area, Phase - 1, Chandigarh - 160 002 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Sr. No.	Resolution	Vote	
		For	Against
1.	Increase the Authorised Share Capital and consequent alteration of the Memorandum of Association of the Company.		
2.	Preferential Issue of Share Warrants		

Affix  
Revenue  
Stamp

Signed this ..... day of ..... 2017

Signature of shareholder

Signature of Proxy holder(s)

**NOTES:**

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.



To

**CHD CHEMICALS LIMITED**

(CIN-L24232CH2012PLC034188)

**Registered Office:** Plot No. 45, First Floor, Industrial Area, Phase - 1, Chandigarh - 160 002

**Tel. No:** - 0172-5086877/ 2639019, **Email:** - info@ccichd.com **Website:** -www.chdchemicalsltd.com

---