

4th ANNUAL REPORT

CHD CHEMICALS LIMITED

2015-2016

Corporate Information

BOARD OF DIRECTORS

MANAGING DIRECTOR
MS.DIVYA KOTHARI

NON EXECUTIVE DIRECTOR
MR. ANKIT KOTHARI

NON EXECUTIVE DIRECTOR
MR. INDER SINGH

INDEPENDENT DIRECTOR
MR. VIJENDER SINGH

INDEPENDENT DIRECTOR
MR. BAJRANG LAL KEDIA

AUDITORS :

MR. NARESH M KUMAR, CHARTERED
ACCOUNTANTS

BOARD COMMITTEES

AUDIT COMMITTEE:

MR. VIJENDER SINGH
MR. BAJRANG LAL KEDIA
MS. DIVYA KOTHARI

NOMINATION & COMPENSATION COMMITTEE

MR. VIJENDER SINGH
MR. BAJRANG LAL KEDIA
MR. INDER SINGH

STAKEHOLDERS RELATIONSHIP/ SHAREHOLDERS COMMITTEE

MR. VIJENDER SINGH
MR. BAJRANG LAL KEDIA
MR. INDER SINGH

CHIEF FINANCIAL OFFICER:

MR KAMAL KUMAR SHAH

COMPANY SECRETARY:

MS. HARSIMRAN JIT KAUR

SECRETARIAL AUDITOR

Mr. NEERAJ JINDAL & ASSOCIATES

REGISTERED OFFICE

S.C.O 19, 1ST FLOOR, INDUSTRIAL AREA
PHASE II, CHANDIGARH

PHONE: 0172-5086877
website: www.chdchemicalsltd.com
CIN No.: U24232CH2012PLC034188

REGISTRARS & TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED
SUBMARAMANIAN BUILDING, NO.1
CLUB HOUSE ROAD
TAMIL NADU, CHENNAI
PHONE: 044 -23460390
E-MAIL: CAMEO@CAMEOINDIA.COM

Book Closure: Date: 24th September, 2016 to 30th September, 2016 (both days inclusive).

CONTENT OF ANNUAL REPORT

S.NO	CONTENT	Page No
1.	Financial Highlight	4
2.	Milestones & Achievements	5
3.	Notice to the shareholders	6-13
4.	Directors' Report to the shareholders	14-36
5.	Report on Corporate Governance	37-44
6.	Management Discussion & Analysis Report	45-47
7.	Proxy form	48
8.	Attendance form	49
9.	Auditors' Report to the shareholders	50-55
10.	Balance Sheet	56-57
11.	Statement of Profit and Loss	58
12.	Cash Flow Statement	59
13.	Notes on accounts	60-76

OPERATING & FINANCIAL DATA

Amount in Lacs

OPERATING DATA	2015-2016	2014-2015
Sales & Income from operation	4036.25	4443.29
Other Income	4.93	4.25
Total	4041.18	4447.53
Cost of purchase	3790.01	4304.26
Change in inventories of finished goods, work in progress and stock in trade	0.19	(136.98)
Employees benefit expenses	81.07	89.93
Finance cost	25.37	26.94
Depreciation and amortization expenses	12.91	9.31
Other expenses	97.95	123.88
Total expenses	4007.52	4417.33
Profit/Loss before Exceptional Items & Taxation	33.65	30.20
Exceptional items	4.75	0.00
Profit/Loss before Taxation	38.4	30.20
Provision for Current year Tax	11.24	9.22
Profit & Loss after Taxation	27.16	20.98
Earnings per Share (EPS)	0.52	0.62
FINANCIAL DATA		
Share Capital	520.91	340.91
Reserves And Surplus	83.88	38.72
Long Term Borrowings	0.00	3.73
Other Long Term Liabilities	0.00	4.25
Capital & Funds Employed	604.78	387.60
Fixed Assets	32.17	50.71
Long term loans & Advances	17.54	15.11
Other non current assets	19.25	4.32
Current assets	2407.17	1900.68
Current liabilities & provisions	1871.34	1583.21
Capital & Funds Applied	604.78	387.60

KEY EVENTS AND MILESTONE

YEAR	KEY EVENTS /MILESTONE/ ACHIEVEMENTS
2012	Incorporation of the Company
2014	<p>Increase in the Authorized share Capital of the Company from Rs. 1,00,000 (10,000 Equity shares of Rs. 10/- each) to Rs. 2,00,00,000 (20,00,000 Equity shares of Rs. 10/- each) on 20th February,2014.</p> <p>Increase in the Authorized share Capital of the Company from Rs. 2,00,00,000 (20,00,000 Equity shares of Rs. 10/- each) to Rs. 4,00,00,000 (40,00,000 Equity shares of Rs. 10/- each) on 5th July,2014.</p>
2015	<p>Increase in the Authorized share Capital of the Company from Rs. 4,00,00,000 (40,00,000 Equity shares of Rs. 10/- each) to Rs. 5,00,00,000 (50,00,000 Equity shares of Rs. 10/- each) on 27th January,2015.</p> <p>Achieve Turnover of Rs. 4443.29 Lacs</p> <p>Conversion of the Company from Private Limited to Public Limited Company on 12th November,2015</p> <p>Increase in the Authorized share Capital of the Company from Rs. 5,00,00,000 (50,00,000 Equity shares of Rs. 10/- each) to Rs. 6,00,00,000 (60,00,000 Equity shares of Rs. 10/- each) on 7th December,2015</p>
2016	On 1 st day of April, 2016 the Company Listed on SME platform of Bombay Stock Exchange (BSE)

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the Members of **CHD CHEMICALS LIMITED** will be held on Friday, 30th September 2016 at 11.00 A.M. at **Hotel Solitaire**, SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh, 160101, to transact the following business:

ORDINARY BUSINESS

Item No 1: Adoption of the Audited Financial Statements as at 31st March, 2016

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, the Audited Statement of Profit and Loss Account for the year ended on that date, together with Reports of Auditors and Directors thereon.

Item No 2: Appointment of Auditors

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the resolution passed by the members at the AGM held on September 30th, 2014 the appointment of M/s. NARESH M. KUMAR & CO., Chartered Accountants, B- 2, 403, SURYA TOWER, VIP ROAD, ZIRAKPUR -140603 (FRN 027357N), as the Statutory Auditors of the Company, to hold office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 and that such remuneration may be paid on a progressive

billing basis as may be agreed upon between the auditors and the Board of Directors."

Item No 3: Appointment of Mr Inder Singh as a Director liable to retire by rotation:

To appoint a director in place of Mr Inder Singh (Din: 06486481), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO 4: Appointment of Ms Divya Kothari as Managing Director

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

RESOLVED THAT approval of the members of the company be and is hereby given to the Appointment of Managing director, pursuant to the provisions 196, 197, 203 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Section II, Table A of Schedule V to the said act, Ms. DIVYA KOTHARI (DIN: 03592047) who has been appointed as the Managing Director of the Company for the period with effect from 15-12-2015 to 14-12-2020.

1. **Tenure:-** from 15-12-2015 to 14-12-2020
2. **Nature of Duties:-** The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to her by the Board of Directors from time to time and separately communicated to her and such powers as may be assigned to her subject to superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company.

3. REMUNERATION

I. SALARY: The Managing Director shall be paid Salary, Perquisites and allowances amounting to Rs 50,000 per month as per the provisions of SECTION II, TABLE A OF schedule V to Companies Act, 2013 for the time Being. (Considering inadequacy of profits).

Further the above remuneration is determined for maximum period of three years. There after fresh approval from the members shall be taken.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine, abrogate and modify remuneration, the rate, terms and conditions of the above mentioned remuneration or any constituent thereof, payable to Ms. DIVYA KOTHARI (DIN: 03592047) Managing Director within the overall limit as per SECTION II, TABLE A OF schedule V to Companies Act, 2013, based on the Effective capital of the Company.

RESOLVED FURTHER THAT during such time as Ms. DIVYA KOTHARI (DIN: 03592047) holds and continues to hold the office of the Managing Director; she shall not be liable to retirement by rotation as a Director.

ITEM NO 5. To Appoint Mr. Vijender Singh (Din: 07339155) as an Independent Director:

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

RESOLVED THAT pursuant to Sections 149, 150, 152,160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Vijender Singh (DIN 07339155) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective from 12th November, 2015, and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the

Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 12th November, 2015 to 11th November, 2020."

ITEM NO 6. To Appoint Mr. Bajrang Lal Kedia (Din: 07339265) as an Independent Director

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

RESOLVED THAT pursuant to Sections 149, 150, 152,160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Bajrang Lal Kedia (DIN 07339265) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective from 12th November, 2015, and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 12th November, 2015 to 11th November, 2020."

By Order of the Board of Directors

For CHD CHEMICALS LIMITED.

SD/-

DIVYA KOTHARI
Managing Director

DIN – 03592047

Place: CHANDIGARH.
Dated: 30th August, 2016.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE.

2. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.

3. 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.

4. A person can act as a proxy on behalf of Members not exceeding fifty in number 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 a proxy and such person shall not act as proxy for any other person or shareholder.

5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

6. 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.

7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

8. 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.

9. Annual Reports 2015-16 are being sent by physical mode/electronic mode (in case email address is registered) to all the members of the company. Members may please note that the Annual Report 2015-16 is also available on the website of the Company viz www.chdchemicalsltd.com.

10. The members are requested to handover the enclosed attendance slip duly signed as per their specimen signature(s) registered with the Company for admission to the meeting hall.

11. The members or proxies are requested to bring with them the Annual Report, as extra copy of the same will not be supplied at the meeting as per usual practice.

12. As per Rule 20 (2) of Companies (Management and Administration) amendment rules, 2015 vide Notification Dated 19th March, 2015, A Company Listed under chapter XB (Companies listed on SME exchange) or chapter XC (Companies listed on institutional trading platform without IPO) of ICDR regulations, 2009 and having its equity shares listed on a recognized stock exchange, is out of the ambit of E-voting in its General Meeting and CHD CHEMICALS LIMITED is a BSE SME Listed company and Evoting is not applicable.

13. Pursuant to Section 91 of the Companies Act, 2013, The Share Transfer Books and Members Register of the Company will remain closed from 24th September, 2016 to 30th September, 2016 (both days inclusive).

14. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

For CHD CHEMICALS LIMITED.
By Order of the Board of Directors

SD/-
DIVYA KOTHARI
MANAGING DIRECTOR
DIN – 03592047

Place: CHANDIGARH.
Dated: 30th August, 2016.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013.

ITEM NO: 4

Ms. Divya Kothari has been appointed as Managing Director on 15.12.2015 for a period of Five Years by the board of the Company. Further, seeing the Probability of having inadequate Profits for the financial year ending 31.03.2016. The board of Directors in its meeting held on 30.03.2016 taking an extra precautionary Step decided subject to the Approval of Members for the remuneration to be paid as minimum remuneration as decided by the board in their meeting held on 15.12.2015. The Approval is to be taken under Section II, Table A of Schedule V to Companies Act, 2013.

The same require approval of the members by way of special resolution. So your board proposes the above resolution for your approval, further the above remuneration is maximum for a period of three years.

4) Financial Performance based on given indicators:

(i) Financials (Amount in RS. Lakhs)

Financial Parameters	2012-2013	2013-2014	2014-2015	2015-2016
Turnover	-	1438.69	4443.29	4036.25
Net Profit	-	8.65	20.98	27.16
(as computed u/s. 198)				
Net profit as per profit And loss Account	-	8.65	20.98	27.16
Amount of Equity dividend paid	-	-	-	-
Rate of dividend declared	-	-	-	-

(ii) Export performance and net foreign exchange collaborations – NIL

(5) Foreign investments or collaborators, if any – NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Back Ground Details :

Ms. Divya Kothari was appointed as a Director of the Company with effect from 5th November, 2012.

The Board of Directors at their meeting held on 15th December, 2015 considered and decided to entrust on Ms. Divya Kothari with increased role and responsibility by elevating her as the Managing Director of the company. The term of

The information as required under schedule V to the Companies Act, 2013 is as under:-

I. GENERAL INFORMATION:

(1) Nature of Industry– Chemicals Industry Company Main Object pursued by the company :

The company is doing business of trading in high quality chemicals & dyes for textiles industry.

(2) Date of commencement of commercial operation-

The Company started its business back in 2013.

(3) Details of new company:

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - **N.A.**

her appointment as Managing Director will be for a period of 5 years from 15th December, 2015 up to 14th December, 2020.

Ms. Divya Kothari (DIN: 03592047), aged 26 is the promoter of the company. She looks after day to day routine operational activities of our company and with her multifunctional experience, She guides company in its growth strategies. She is well versed in all aspects of Marketing, Finance and Administration. She has contributed well towards the growth of our Company and under her guidance the turnover

of our Company has increased manifold.

(2) Past remuneration: NIL

(3) Recognition or awards: NIL

(4) Job profile and his suitability-

Subject to the superintendence, direction and control of the board, the day to day management and administration of the Company is vested in the Managing Director.

(5) Remuneration proposed-

As set out in the resolution. The remuneration to Managing Director has the approval of the Nomination & Remuneration Committee.

(6) Comparative remuneration profile with respect to industry, size of the company, Profile of the position and person-

Company is engaged in the trading and distribution of high quality chemicals and dyes for textiles industry, leather and paper industries. For the growth and success of the company, knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Ms. Divya Kothari has successfully proved their expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considers that the remuneration proposed to them are justified commensurate with other organizations of the similar type, size and nature.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with Managerial personnel , if any -

Besides, the remuneration proposed and holding 1436636 shares of the company Ms Divya Kothari does not have any other pecuniary relationship with the Company.

Mr. Ankit Kothari, Brother of Ms. Divya Kothari is Director on the board and holder of 527181 shares in the Company

III. Other information:

Following are the main points relevant to inadequate profit:-

(1) Reason of inadequate profit:-

The chemicals industry captures a wide variety of companies that serves to provide products and services that keep the everyday consumer engaged. Chemicals market is highly competitive and fragmented, and we face competition from leading Chemicals and Dyes industries, that are expanding their traditional offerings. Some of our competitors may have greater financial, marketing, sales and other resources than we have and with the increase of price of products during the year under review also affects the profitability of the company.

(2) Preventive action taken by the company:-

The future plans of our company are in line with the way industry is thinking and planning ahead. Our company is trying to increase the geographical areas of operations to cater to the growing market. Company is planning to expand the scale of operations as well as growing our supply chain network, which will provide attractive opportunities to grow our client base and revenues.

(3) Expected Increase in Productivity and Profits in measurable terms:

Company has experienced management team with established processes. Company management team has a long term vision and has proven its ability to achieve long term growth of the company. Promoters have sufficient experience in chemicals and dyes sector. Company records helped to build strong relationships over number of year with the customers as well as with the suppliers. Company strives to add value by incorporating excellent trade practices in order to optimize better returns. Management intend to maintain a spread of different types of trade in which company is involved in as this provide a strategy for growth as well as mitigating the risk of focusing on only a certain type of trade and ensures stability of our revenue stream.

Interest:

None of the Directors, KMP and their relatives except Ms. Divya Kothari herself as Managing Director and Share Holder Holding 1436636 Shares , Mr. Ankit Kothari, Brother of Ms. Divya Kothari, Director on the board and holder of 527181 shares in the Company and Mrs. Kitabwati Kothari, Mother of Ms. Diva Kothari,

Share Holder in the Company holding 90909 shares.

Profiles of Ms. Divya kothari, as required by the Regulation 36(3) of SEBI (LODR), 2015, is provided in the Annexure I to the Notice.

ITEM NO: 5

Pursuant to the Provisions of Section 161(1) of Companies Act, 2013, Articles of Association of Company and subject to the provisions of Section 149, 152 and schedule IV to Companies Act, 2013 and any other Provisions of the Companies Act, 2013 read with the Rules made

there under Mr. Vijender Singh (Din: 07339155) was appointed as an Additional (Independent) Director of the Company with effect from 12th November, 2015 by the Board of Directors subject to the approval of the shareholders of the Company.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Vijender Singh holds office upto the date of this Annual General Meeting. The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Vijender Singh has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

Mr. Vijender Singh shall hold office for a period of upto 5 consecutive years as Independent Directors and shall not be liable to retire by rotation.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice for appointment of Mr. Vijender Singh as an Independent Director.

Except Mr. Vijender Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

Profiles of **Mr. Vijender Singh**, as required by the Regulation 36(3) of SEBI (LODR), 2015, is provided in the Annexure I to the Notice.

ITEM NO: 6

Pursuant to the Provisions of Section 161(1) of

Companies Act, 2013, Articles of Association of Company and subject to the provisions of Section 149, 152 and schedule IV to Companies Act, 2013 and any other Provisions of the Companies Act, 2013 read with the Rules made there under Mr. Mr. Bajrang Lal Kedia (Din: 07339265) was appointed as an Additional (Independent) Director of the Company with effect from 12th November, 2015 by the Board of Directors subject to the approval of the shareholders of the Company.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Bajrang Lal Kedia holds office upto the date of this Annual General Meeting. The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Bajrang Lal Kedia has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

Mr. Bajrang Lal Kedia shall hold office for a period of upto 5 consecutive years as Independent Directors and shall not be liable to retire by rotation.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice for appointment of Mr. Bajrang Lal Kedia as an Independent Director.

Except Mr. Bajrang Lal Kedia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

Profiles of **Mr. Bajrang Lal Kedia**, as required by the Regulation 36(3) of SEBI (LODR), 2015, is provided in the Annexure I to the Notice.

ANNEXURE I TO THE NOTICE

Details of the directors proposed to be appointed / re-appointed as per clause 1.2.5 of Secretarial Standards on General Meeting and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) Profile of Ms Divya Kothari as Managing Director

Name of the Director	Divya Kothari
Date of Birth	23/09/1989
Date of appointment	05/11/2012
Date of re appointment	NA
Qualification	Bachelor Degree in Commerce and Bachelor degree in applied finance
Expertise in specific functional areas	5 years of Experience in Financial Markets and trading operations
List of other Directorship	ANKIT TRADE & INVESTMENT PRIVATE LIMITED
No. of shares held In the Company	1436636

(b) Profile of Mr. Vijender Singh as Independent Director

Name of the Director	Vijender Singh
Date of Birth	29/12/1973
Date of appointment	12/11/2015
Date of Re-appointment	Proposed in the AGM
Qualification	Bachelor degree in science and law graduate.
Expertise in specific functional areas	Rich Experience in Legal practice, taxation.
List of other Directorship	NIL
No. of shares held In the Company	NIL

C) Profile of Mr. Bajrang Lal Kedia as Independent Director

Name of the Director	Bajrang Lal Kedia
Date of Birth	02/01/1967
Date of appointment	12/11/2015
Date of Re-appointment	Proposed in the AGM
Qualification	B.Com
Expertise in specific functional areas	Served over 20 years to Indian Force. 10 years of experience in textile and allied sector
List of other Directorship	NIL
No. of shares held In the Company	14545

DIRECTORS' REPORT

Dear Members,

Your Directors take great pleasure in presenting the 4th Annual Report of **CHD CHEMICALS LIMITED** the "Company" on business and operations of the Company along with the audited financial statements of accounts for the financial year ended 31st March 2016.

1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Amount in INR.

Particulars	2015-2016	2014-15
Revenue from Operation	4036.25	4443.29
Other Income	4.93	4.25
Depreciation & Amortization	12.91	9.31
Profit before tax	38.40	30.20
Provision for Tax/ (Deferred tax)	11.24	9.22
Net Profit After Tax	27.16	20.98

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

- The company is engaged in the business of trading of chemicals and dyes.
- The Total revenue for the Current year is Rs. 403625193.10 in comparison to Last year's revenue i.e. Rs. 444328761.62
- The Profit in the Current year is Rs. 2716145.69 which is higher than Rs. 2097953.21 last year's.

During the year under review, there has been no change in the nature of the business of the Company. Further, there were no significant and material order passed by the regulators or courts

or tribunals impacting the going concern status and Company's operations in future.

3. CONVERSION OF THE COMPANY FROM THE PRIVATE LIMITED TO PUBLIC LIMITED

The members of the Company at the Annual General Meeting held on 30th September, 2015 passed a special resolution for conversion of the Company from private limited company to public limited company. Subsequently, the Registrar of Companies, Chandigarh, issued a fresh certificate of incorporation dated 12th November, 2015 certifying the conversion of Company into public limited company and that the name of the Company was changed from 'Chd Chemicals Private Limited' to 'Chd Chemicals Limited'.

4. MATERIAL CHANGES AND COMMITMENTS

Material changes have occurred between Balance Sheet date and the date on which the financial statement are approved by the Board of Directors. Your Directors are pleased to inform that the Company has been listed on Bombay Stock Exchange on SME Platform on 1st day of April, 2016.

5. DIVIDEND

The Management has considered it prudent to plough back the profits into the business in view of proposed working capital requirement for future growth prospects as such your Directors have decided not to recommend any dividend for the year.

6. TRANSFER TO GENERAL RESERVES IN TERMS OF SECTION 134(3) (J) OF THE COMPANIES ACT, 2013

In view of the further growth plan of the Company. Your Directors have decided to retain 100% of Profit after Tax of the year under review for future expansion.

7. SHARE CAPITAL

During the Financial Year 2015-16,

Company increased its Share Capital on following occasions:

**(i) Authorized Share Capital**

The members of the company in its extra ordinary general meeting held on 7th December, 2015 passed an ordinary resolution to increase the Authorized Share capital of the company from 5.00 Crore to 6.00 Crore by creating additional 10.00 Lakh equity Shares of F.V. RS. 10/- each.

(ii) Paid up Share Capital:

Pursuant to the public issue of 18,00,000 equity shares at F.V of Rs. 10/- each at a premium of Rs. 1.00 per share on BSE SME Platform from 21st March, 2016 to 23rd March,2016 and finalization of allotment on 30th March,2016 by the company, the paid up share capital of the company has been increased from Rs 3,40,90,800 to Rs 5,20,90,800.

(iii) ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issue any shares with differential rights during the year under review. Hence the provisions of Section 43 of the Companies Act, 2013 are not applicable.

(iv) ISSUE OF SWEAT EQUITY SHARE

The Company has not issued any sweat equity shares during the year under review. Hence the provisions of Section 54 of the Companies Act, 2013 are not applicable.

8. DEPOSITS**DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT**

a	Accepted during the year	:	NIL
b	Remained unpaid or unclaimed as at the end of the year	:	
c	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so (default), number of such cases and the total amount involved	:	
	i. at the beginning of the year	:	
	ii. maximum during the year	:	
	iii. at the end of the year	:	

DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE ACT

During the Financial Year under review, the Company has not accepted any deposit under Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rule, 2014 as amended from time to time which are not in compliance with the requirements of Chapter V of the Act.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**Directors**

During the year under review, there were following changes on the Board:

Pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, read with Schedule IV to the Companies Act, 2013 , board of director of the company had appointed following Non-Executive (Independent) Director on the board in their meeting held on 12th November, 2015 :

- Mr. Vijender Singh (DIN 07339155)
- Mr. Bajrang Lal Kedia (DIN 07339265)

KEY MANAGERIAL PERSONNEL

Board of Directors of the company in their meeting held on 12th November, 2015 had appointed Mr. Kamal kumar Shah as Chief Financial Officer (CFO) of the Company.

Board of Directors in their meeting held on 15th December, 2015 had appointed Ms. Divya Kothari as the Managing Director of the Company with effect from 15th December, 2015 for five years subject to the approval of the members in the ensuing Annual General Meeting.

Ms. Harsimran Jit Kaur has been appointed as Company Secretary of the Company by the Board of directors in their meeting held on 15th December, 2015.

BOARD COMMITTEES

During the year under review board of the company has formed the committees of the company as per the requirement of the

companies Act, 2013. The formation and term of reference is provided in the “**Annexure V**” corporate Governance report of the company.

10. BOARD MEETINGS

The board met 9 times during the financial year. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Details of the board meeting are provided in the “**Annexure V**” report on corporate Governance and the same forms part of this report.

11. DECLARATION BY INDEPENDENT DIRECTORS

Mr. Vijender Singh and Mr. Bajrang Lal Kedia, Independent Directors of the Company have given their respective declaration as required under Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and that they abide by the provisions specified in Schedule IV to the Companies Act, 2013. The Board has, taken on record the declarations received from Mr. Vijender Singh and Mr. Bajrang Lal Kedia.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual

accounts on a 'going concern' basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable.

14. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis, therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to **Note No. 8** in the Accounting Policies to the Financial Statement which sets out related party disclosures as prescribed under Accounting Standard 18.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in “**Annexure - 1**” Form AOC-2 and the same forms part of this report.

15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy (“the policy”). The objective



of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

16. STATUTORY AUDITORS

At the Annual General Meeting held on September 30th, 2014, M/s NARESH M. KUMAR & CO., Chartered Accountants were appointed to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s NARESH M. KUMAR & CO., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect if they are appointed; it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

17. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualification, reservation or adverse remark made by the Auditors in their report. The provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report was not applicable to the Company during the financial year.

Pursuant to the listing of the company on BSE SME Platform on 1st day of April, 2016, board of Directors has appointed Mr. Neeraj Jindal as Secretarial Auditor of the Company Auditor under section 204 of Companies Act, 2013 read with Rule 9(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2016-17 in their meeting held on 28th May, 2016.

18. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Company has not granted any loans and made investments, or given guarantees or provided securities to other bodies corporate under the provisions of Section 186 the Companies Act, 2013.

19. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2016 made under the provisions of Section 92 (3) of the Act in Form MGT -9 is annexed herewith as **Annexure II**.

20. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

21. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

22. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197(12) read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the "**Annexure-IV**" of the Annual Report.



The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

24. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16.

No of complaints received : Nil
No of complaints disposed off: Nil

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure "III"**

26. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

27. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

During the year provision related to Vigil Mechanism as per Section 177(9) read with Rule 7(1) of The Companies (Meeting of Board and its

Powers) Rules, 2014 was not applicable to the Company for the Financial Year 2015-16.

As the Company got listed on BSE SME Platform on 1st day of April, 2016, the Company in its board Meeting held on 28th May, 2016 established a Vigil Mechanism for its Directors and employees in order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

28. SECRETARIAL AUDIT REPORT

Provisions relating to Secretarial Audit as per Section 204 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was not applicable to the Company for the Financial Year 2015-16.

As the Company got listed on BSE SME Platform on 1st day of April, 2016, the Company has appointed Mr. Neeraj Jindal, Proprietor of Neeraj Jindal & Associates, Company Secretaries to undertake the Secretarial audit of the Company for the Financial year 2016-17 as required under Section 204 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

29. INTERNAL AUDIT REPORT

Provisions relating to Internal Audit as per Section 138 of the Companies Act, 2013 read with the Rule 13 of the Companies (Accounts) Rules, 2014 was not applicable to the Company for the Financial Year 2015-16.

As the Company got listed on BSE SME Platform on 1st day of April, 2016, the Company has appointed M/s R.K. Deepak and Co., Chartered Accountant to undertake the Internal audit of the Company for the Financial year 2016-17 as required under Section 138 of the Companies Act, 2013 read with the Rule 13 of the Companies (Accounts) Rules, 2014.

30. BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p) Companies Act, 2013, mandates the Board's performance evaluation for every listed company. As the company got listed on BSE SME



Platform on 1st April, 2016, company is under the process for the formulation of Board Evaluation policy of the company.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (LORD) 2015, is presented in **Annexure VI** and the same is for the part of this report.

32. BUSINESS RESPONSIBILITY REPORT (BRR)

The Board of Directors of the Company hereby confirms that, according to the provisions of Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015, the give report on Business Responsibility Report (BRR) is not mandatorily applicable to our company, hence not annexed with Annual Report.

33. DISCLOSURE IN RESPECT OF SCHEME FORMULATED UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013

Since the Company has not formulated any scheme in terms of Section 67(3) of the Companies Act, 2013, therefore no disclosures are required to be made.

34.DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

There has been no subsidiary/Associate/Joint Venture incorporated/ceased of your company during the financial year 2015-16.

35. DISCLOSURES PURSUANT TO SECTION 197(14) OF THE COMPANIES ACT, 2013:

No disclosure under section 197(14) of the Companies Act, 2013 is required, company has no Holding or Subsidiary company as on 31st March, 2016.

36. ACKNOWLEDGEMENT

The Board of Directors acknowledges with gratitude the co-operation and assistance provided to your company by its bankers, financial institutions, government and other agencies. Your Directors thank the customers, vendors and other business associates for their continued support in the company's growth.

Your Directors also wish to place on record their appreciation to the contribution made by employees because of which, the Company has achieved impressive growth through the competence, hard work, solidarity and co-operation at all levels.

For and on behalf of Board of Directors

SD/-

**Divya Kothari
Managing Director
DIN – 03592047**

SD/-

**Inder Singh
Director
DIN -06486481**

**Place: CHANDIGARH
Dated: 30th August, 2016**

Annexure – I
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NOT REQUIRED AS THERE ARE NO TRANSACTIONS FALLING UNDER THIS SECTION
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SATVEER KOTHARI FATHER OF MANAGING DIRECTOR
b)	Nature of contracts/arrangements/transaction	SALARY
c)	Duration of the contracts/arrangements/transaction	FIVE YEAR W.E.F 01.08.2014
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	EMPLOYMENT AGREEMENT FOR FIVE YEAR.
e)	Date of approval by the Board	10.07.2014
f)	Amount paid as advances, if any	NIL

FOR CHD CHEMICALS LIMITED

SD/-

Divya Kothari
Managing Director
DIN – 03592047

SD/-

Inder Singh
Director
DIN -06486481

Annexure II

DIRECTORS' REPORT (CONTD) ANNEXURE II TO DIRECTORS' REPORT

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31st, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U24232CH2012PLC034188
ii)	Registration Date	05-11-2012
iii)	Name of the Company	CHD CHEMICALS LIMITED
iv)	Category / Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	Sco19, 1 ST Floor Industrial Area , Ramdarbar Phase II Chandigarh – 160002 Contact No. 5086877 Unlisted
vi)	Whether listed company	Unlisted
vii)	Name, Address and contract details of the Registrar and Transfer Agent, if any.	Cameo Corporate Services Limited Submaramanian Building, No.1 Club House Road Tamil Nadu, Chennai Phone: 044 -23460390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

As per Attachment A

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

As per Attachment B

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)

i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding (<i>Specify if there is no change</i>)	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, and Promoters and holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager **As per attachment I**
 B. Remuneration to other directors **As per Attachment J**
 C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD **As per Attachment K**
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES **As per Attachment L**

ATTACHMENT A
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the company #
1.	Whole sale of industrial chemicals	5149	100%

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

On the basis of Gross Turnover

ATTACHMENT B
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary /Associate	% of Shares held*	Applicable Section
			NIL			

ATTACHMENT C
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	1436636	1436636	42.14%	1436636	0	1436636	27.57%	-14.57%
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB - TOTAL (A) (1)	0	1436636	1436636	42.14%	1436636	0	1436636	27.57%	-14.57%
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB - TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+ (A)(2)	0	1436636	1436636	42.14%	1436636	0	1436636	27.57%	-14.57%
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00

e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others specify MARKET MAKER	0	0	0	0.00	100000	0	100000	2.00	+2%
SUB - TOTAL (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0.00	110000	0	110000	2.11	+2.11%
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	638766	638766	18.74%	0	0	0	0	0.00
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	1130589	1130589	33.16%	2795868	483487	3279355	62.95%	+29.79%
c) Others specify									
HUF	0	203089	203089	5.96%	80000	203089	283089	5.43%	-0.53%
SUB - TOTAL (B) (2)	0	1972444	1972444	57.86%	2875868	686576	3562444	68.39%	+10.53%
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	0	0	0	0	0	0	0	0.00	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRS& ADRS	0	0	0	0.00	0	0	0	0.00	0.00
GRANDTOTAL (A+B+C) 1	0	3409080	3409080	100.00	4522504	686576	5209080	100.00	00.00

ATTACHMENT D
(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	DIVYA KOTHARI	1436636	42.14%	0	1436636	27.57%	0	-14.57%
	Total	1436636	42.14%	0	1436636	27.57%	0	-14.57%

ATTACHMENT E
(iii) Change in Promoters' Shareholding

Sl. No.	Shareholding at the beginning of the year (As on 01-04-2015)		Cumulative Shareholding during the Year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	1436636	42.14%	1436636	42.14%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	change in the percentage of holding of the promoter due to the public issue of shares on BSE SME Platform	0	change in the percentage of holding of the promoter due to the public issue of shares on BSE SME Platform
At the End of the year	1436636	14.57%	1436636	14.57%

ATTACHMENT F

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the top ten Shareholders	Shareholding at the beginning of the Year 01.04.2015		Shareholding during the year (01-04-15 to 31-03-16)			Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares	% of total Shares of the company	Date	Increase/ Decrease In Shareholding	Reason	No. of Shares	% of total Shares of the company
1.	NARESH PAWARIYA	216681	6.35%	30th March, 2016	+20000	Allotment	236681	4.5%
2.	JAGDISH PRASAD ARYA	160000	4.69%	30th March, 2016	+20000	Allotment	180000	3.4%
3.	KAPIL KUMAR KOTARI	114227	3.35%	30th March, 2016	+20000	Allotment	134227	2.57%
4.	REENA SHARMA	112500	3.30%	30th March, 2016	+20000	Allotment	132500	2.54%
5.	AJAY BANSAL	100000	2.93%	30 th March, 2016	+20000	Allotment	120000	2.30%
6.	KOTHARI TRADE INVESTMENT PVT LTD.	-	-	30th March, 2016	+110000	Allotment	110000	2.11%
7.	ALACRITY SECURITIES LIMITED	-	-	30th March, 2016	+100000	Allotment	100000	1.92%
8.	KITABWATI KOTHARI	90909	2.67%	30th March, 2016	-	Allotment	90909	1.7%
9.	RANJIT	61081	1.79%	30th March, 2016	+20000	Allotment	81081	1.55%
10.	KULDEEP	52727	1.55%	30th March, 2016	+20000	Allotment	72727	1.396%

DIRECTORS' REPORT (CONTD)
ATTACHMENT G
v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the Year 01.04.2015		Shareholding during the year (01-04-2015 to 31-03-2016)			Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares	% of total Shares of the company	Date	Increase/ Decrease In Shareholding	Reason	No. of Shares	% of total Shares of the company
1.	DIVYA KOTHARI	1436636	42.14%	30th March,2016		Allotment	1436636	27.57%
2.	ANKIT KOTHARI	527181	15.46%	30th March,2016		Allotment	527181	10.12%
3.	INDER SINGH	44545	1.31%	30th March,2016		Allotment	44545	0.85%
4.	KAMAL KUMAR SHAH(CFO)	15909	0.47%	30th March,2016	+20000	Allotment	35909	0.689%
5.	BAJRANG LAL KEDIA (INDEPENDENT DIRECTOR)	4545	0.13%	30th March,2016	+10000	Allotment	14545	0.279%

ATTACHMENT H

V. INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	<i>Amount (INR)</i>			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	18774681.63	0.00	0.00	18774681.63
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	18774681.63	0.00	0.00	18774681.63
Change in Indebtedness during the financial year				
Addition	2040105.65	0.00	0.00	2040105.65
Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	20814787.28	0.00	0.00	20814787.28
ii) Interest due but not paid -	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	20814787.28	0.00	0.00	20814787.28

ATTACHMENT I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			
		DIVYA KOTHARI MANAGING DIRECTOR			Total Amount in Rs.
1.	Gross salary	177419			177419
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisite u/s 17(2) of the Income Tax 1961	0			0
	(c) Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	0			0
2.	Stock Option	0			0
3.	Sweat Equity	0			0
4.	Commission - as % of profit - as others, specify	0			0
5	Others, please specify	0			0
	TOTAL (A)	177419			177419
	Ceiling as per the Act	(Remuneration as per the provisions of Section II, Table A of Schedule V of the Companies Act, 2013 subject to the approval of members)			

ATTACHMENT J
B. Remuneration to other Directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors				
						(Amt. in Rs.) Total Amount
1.	Independent Directors					
	Fee for attending board / committee meetings		0.00		0.00	0.00
	Commission		0.00		0.00	0.00
	Others, please specify		0.00		0.00	0.00
	TOTAL (1)					
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings		0.00		0.00	0.00
	Commission		0.00		0.00	0.00
	Others, please specify		0.00		0.00	0.00
	TOTAL (2)					
	TOTAL (B)=(1+2)					
	TOTAL MANAGERIAL REMUNERATION*		177419			
	Overall Ceiling as per the Act		(being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

ATTACHMENT K
C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	COMPANY SECRETARY HARSIMRAN JIT KAUR	CFO KAMAL KUMAR SHAH	Amount in Rs. Total Amount
1.	Gross salary	63000	475000	538000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others			
5.	Others – please specify			
	Total	63000	475000	538000

ATTACHMENT L
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /punishment /compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

Annexure "III" to Directors' Report for the year ended 31st March, 2016**Particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014****[A] CONSERVATION OF ENERGY:**

(a) Energy Conservation Measures Taken:

Energy utilisation is primarily for domestic use and assembly activities which is optimised and further steps are being taken by management to emphasise on conservation of energy with all employees.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: **NIL**

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption & consequent impact on the cost of production of goods: **NIL**

(d) Steps taken by company to use alternate source of energy, if any: **NIL**

(e) Capital investment on energy conservation equipments: **NIL**

(f) Power and Fuel Consumption: **N.A**

	Current Year	Previous Year
Electricity:		
Purchased Unit (million)		
Total Amount (Rs.million)		
Rate/Unit		

Electricity:

Purchased Unit (million)
Total Amount (Rs.million)
Rate/Unit

Furnace Oil:

Purchased Qty (Kilo Ltrs)
Total Amount (Rs. Millions)
Rate/Unit

[B] TECHNOLOGY ABSORPTION: (N.A)**[C] RESEARCH & DEVELOPMENT: (N.A)**

a. Specific areas in which R & D was carried out by the Company: **(N.A)**

b. Benefits derived as a result of the above R & D: **(N.A)**

Expenditure on R&D: (N.A)	Current Year (Rs. Lakhs)	Previous Year (Rs.Lakhs)
a) Capital		
b) Recurring		
c) Total		
d) Total as % of Turnover Rate/Unit		

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

Details of earnings in foreign exchange: nil

Particulars	Current Year 01.04.15-31.03.16	Previous Year 01.04.14 - 31.03.15
Export of Goods calculated on FOB Basis		
Interest and dividend		
Royalty		
Know-how	NIL	NIL
Professional and Consultancy fees		
Other Income		
Total earning in foreign exchange		

Details of expenditure in foreign exchange: nil

Particulars	Current Year 01.04.15-31.03.16	Previous Year 01.04.14 - 31.03.15
Import of Capital Goods calculated on CIF Basis:		
(i) raw material		
(ii) component and spare parts		
(iii) capital goods - Software Purchase		
Expenditure on account of:	NIL	NIL
Royalty		
Know-how		
Professional and Consultancy fees		
Interest		
Other matters		
Dividend paid		
Total expenditure in foreign exchange		

“ANNEXURE-IV”
DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION
197(12) OF THE COMPANIES ACT 2013

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1) Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year;

S.No	Name of Directors	Remuneration	% Increase in Remuneration	Ratio of remuneration of each Director/ to Median remuneration of employees remuneration of employees
1	Divya Kothari (Managing Director)*	177419	NA	0.69:1
2	Inder Singh (Director)	NIL	NIL	NIL
3	Ankit Kothari (Director)	NIL	NIL	NIL
4	Vijender Singh (Independent Director)	NIL	NIL	NIL
5	Bajrang Lal Kedia (Independent Director)	NIL	NIL	NIL

*Ms Divya Kothari was appointed as Managing Director with effect from 15th December, 2015

(2) The median remuneration of employees of the Company during the financial year was Rs. 256740/-

(3) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

There is no increase in remuneration of director, Chief Financial Officer, Company Secretary during the year under review.

(4) The number of permanent employees on the rolls of company as on 31st March, 2016 is 16

(5) Relationship between average increase in remuneration and company performance:

The decrease in revenue during financial year 2016 over financial year 2015 was (1.96%) due to increase in the price of the products but increase in net profit of the company was 29.46% at the end of financial year 2015-2016 as compare to the previous financial year.

The aggregate remuneration of employees decrease by 11.21% over the previous financial year due to decrease in number of employees in the company.

(6) Variations in the market capitalization of the Company:

There is no variation as company got listed on 1st April, 2016 on BSE SME Platform.

Variation in the Networth:

Networth of the Company at the end of financial Year is Rs 58553981.34 as compared to Rs 37530913.65 in the previous year.

(7) The percentage increase in median remuneration of employees in the financial year:

There is no increase in remuneration of employees during the year under review

(8) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

Remuneration of Rs 715419 is paid to the Key Managerial Personnel compare to increase in Net profit of the company during the year over previous year is 29.46%.

(9) Comparison of average percentile increase in the salaries of employees other than the managerial personnel and managerial personnel:

Comparison of average percentile increase in the salaries of employees other than the managerial personnel and managerial personnel is not possible as the Managerial personnel of the company were appointed during the year under review and there is no change in the salary of the employees of the company.

(10) Comparison of each remuneration of key Managerial Personnel against the performance of the company:

S.no	Name of KMP	Remuneration	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Divya Kothari	177419	Profit before Tax increased by 27.15% and Profit After Tax increased by 29.46% in financial year 2015-16
2.	Kamal Kumar Shah	475000	
3.	Harsimran Jit Kaur	63000	

(11) The key parameters for the variable component of remuneration availed by the directors :

There is no variable component of remuneration availed by the directors of the company. Directors of the company received fixed remuneration during the year under review.

(12) Ratio of Remuneration of the highest paid director to that of employees who are not director but receive remuneration in excess of the highest paid director during the year: 6.35:1

(Note: Ms Divya Kothari, Managing Director of the company is receiving the remuneration from the 15th December, 2015)

(13) Remuneration is as per the remuneration policy of the company.

ANNEXURE V CORPORATE GOVERNANCE

Our company stands committed to good corporate governance practices based on the principle such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under Law.

Our corporate governance philosophy is based on the following principles:

- ❖ Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- ❖ Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- ❖ Make a clear distinction between personal conveniences and corporate resources.
- ❖ Communicate externally, in a truthful manner, about how the Company is run internally.
- ❖ Have a simple and transparent corporate structure driven solely by business needs.
- ❖ The Management is the trustee of the shareholders' capital and not the owner.

The Company believes that corporate governance is about creating organizations that succeed in the marketplace with the right approach and values. This will enhance the value for all its stakeholders.

(1) BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

- A) The Board of Directors of the Company (Board) has optimum combination of Executive and Non Executive Directors

The following is the Composition of the Board as at 31st March, 2016:

S.No	Name of the Directors	Category
1.	Divya Kothari	Executive Director
2.	Ankit Kothari	Non Executive and Non Independent Director
3.	Inder Singh	Non Executive and Non Independent Director
4.	Vijender Singh	Non Executive and Independent Director
5.	Bajrang Lal Kedia	Non Executive and Independent Director

(b) NO. OF BOARD MEETING HELD AND DATES

1	31/05/2015
2	03/09/2015
3	12/11/2015
4	15/12/2015
5	28/12/2015

6	04/01/2016
7	19/02/2016
8	29/02/2016
9	30/03/2016

The details of directors and their attendance record at the Board Meeting held during the year under review are as follows:

S.No	Name of Directors	Category	Attendance Of Board Meetings	Attended last AGM	No. Of Other Directorship / Committees Membership/ Chairmanship		
					O.D	C.M	C.C
1.	DIVYA KOTHARI	MANAGING DIRECTOR	8	Yes	1	-	-
2.	INDER SINGH	NON EXECUTIVE DIRECTOR	9	Yes	NA	-	-
3.	ANKIT KOTHARI	NON EXECUTIVE DIRECTOR	9	Yes	NA	--	-
4.	VIJENDER SINGH	NON EXECUTIVE INDEPENDENT DIRECTOR	5	No	NA	-	-
5.	BAJRANG LAL KEDIA	NON-EXECUTIVE INDEPENDENT DIRECTOR	5	No	NA	-	-

(O.D.) Directorship in other Company

(C.M.) Committee Membership

(C.C.) Committee Chairmanship

(2) COMMITTEES OF THE BOARD

The Board of Directors has constituted 3 Committees of the Board viz.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholder Relationship Committee

AUDIT COMMITTEE

The Audit Committee of the Company comprises of 3 directors out of which one is Executive Director and two are Non Executive Independent Director .

During the year ended on 31st March, 2016, the composition of Audit Committee has been as under:

S.NO	Name of Directors	Status in Committee	Nature of Directorship
1	MR. VIJENDER SINGH	CHAIRMAN	INDEPENDENT DIRECTOR
2	MR. BAJRANG LAL KEDIA	MEMBER	INDEPENDENT DIRECTOR
3	MS. DIVYA KOTHARI	MEMBER	EXECUTIVE & NON INDEPENDENT DIRECTOR

Our company has constituted an Audit Committee in the Board Meeting held on 15th December, 2015.

ROLE OF AUDIT COMMITTEE

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Review and monitor the auditor's independence and performance, and effectiveness of audit process
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Mandatorily reviews the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
22. Review the Financial Statements of its subsidiary company, if any.
23. Review the composition of the Board of Directors of its Subsidiary Company, if any.
24. Review the Vigil mechanism (whistle blowing) policy.
25. Examination of the financial statement and the auditors' report thereon;
26. Approval or any subsequent modification of transactions of the company with related parties;
27. Scrutiny of inter-corporate loans and investments;
28. Valuation of undertakings or assets of the company, wherever it is necessary;
29. Evaluation of internal financial controls and risk management systems;
30. Monitoring the end use of funds raised through public offers and related matters.
31. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of

financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders relationship Committee / Investors Grievance Committee were constituted in the meeting of the Board of Directors held on 15th December, 2015.

During the year ended on 31st March, 2016, the composition of Stakeholders relationship Committee / Investors Grievance committee has been as under:

S.NO	Name of Directors	Status in Committee	Nature of Directorship
1	MR. VIJENDER SINGH	CHAIRMAN	INDEPENDENT DIRECTOR
2	MR. BAJRANG LAL KEDIA	MEMBER	INDEPENDENT DIRECTOR
3	MR. INDER SINGH	MEMBER	NON EXECUTIVE & NON INDEPENDENT DIRECTOR

ROLE OF STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee were constituted in the meeting of the Board of Directors held on 15th December, 2015.

The committee currently comprises of three (3) Directors. Mr. Vijender Singh is the Chairman of the Nomination and Remuneration Committee.

During the year ended on 31st March, 2016, the composition Of Nomination And Remuneration Committee has been as under:

S.NO	Name of Directors	Status in Committee	Nature of Directorship
1	MR. VIJENDER SINGH	CHAIRMAN	INDEPENDENT DIRECTOR
2	MR. BAJRANG LAL KEDIA	MEMBER	INDEPENDENT DIRECTOR
3	MR. INDER SINGH	MEMBER	NON EXECUTIVE & NON INDEPENDENT DIRECTOR

The terms of reference of the nomination and remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including

ESOP, Pension Rights and any compensation payment.

- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

(3) GENERAL BODY MEETINGS

(a) Details of last three Annual General Meetings (AGMs)

YEAR	VENUE	DATE	TIME
2013	REGISTERED OFFICE	30 TH SEPTEMBER, 2013	11.30A.M
2014	REGISTERED OFFICE	30 TH SEPTEMBER, 2014	10.00A.M
2015	REGISTERED OFFICE	30 TH SEPTEMBER, 2015	10.30A.M

(b) Details of Special Resolutions passed in previous three Annual General Meetings:

DATE OF AGM	NUMBER OF SPECIAL RESOLUTION PASSED	DETAILS OF SPECIAL RESOLUTION PASSED
30 TH SEPTEMBER, 2015	Two	<ol style="list-style-type: none"> 1. CONVERSION OF THE COMPANY TO PUBLIC COMPANY 2. ALTERATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY PURSUANT TO CONVERSION INTO PUBLIC COMPANY

(4) GENERAL INFORMATION TO SHARE HOLDERS

i. APPOINTMENT OF DIRECTORS

(b) Profile of Ms Divya Kothari as Managing Director

Name of the Director	Divya Kothari
Date of Birth	23/09/1989
Date of appointment	05/11/2012
Date of re-appointment	NA
Qualification	Bachelor Degree in Commerce and Bachelor degree in applied finance
Expertise in specific functional areas	5 years of Experience in Financial Markets and trading operations
List of other Directorship	ANKIT TRADE & INVESTMENT PRIVATE LIMITED
No. of shares held In the Company	1436636

(b) Profile of Mr. Vijender Singh as Independent Director

Name of the Director	Vijender Singh
Date of Birth	29/12/1973
Date of appointment	12/11/2015
Date of Re-appointment	Proposed in the AGM
Qualification	Bachelor degree in science and law graduate.
Expertise in specific functional areas	Rich Experience in Legal practice, taxation.
List of other Directorship	NIL
No. of shares held In the Company	NIL

C) Profile of Mr. Bajrang Lal Kedia as Independent Director

Name of the Director	Bajrang Lal Kedia
Date of Birth	02/01/1967
Date of appointment	12/11/2015
Date of Re-appointment	Proposed in the AGM
Qualification	B.Com
Expertise in specific functional areas	Served over 20 years to Indian Force. 10 years of experience in textile and allied sector
List of other Directorship	NIL
No. of shares held In the Company	14545

ii. ANNUAL GENERAL MEETING:

Date: September 30, 2016

Time : 11.00 A.M

Venue : Hotel Solitaire , SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh, 160101

iii. FINANCIAL CALANDER (TENTATIVE)

The financial year of the company is 1st April to 31st March and financial results will be declared as per the following schedule:

Particular	Tentative schedule
Half yearly un-audited results	Within 45 days from 30th September, 2016
Annual audited result	Within 60 days from 31st March, 2016

Having Corporate Identity Number (CIN) is:
U24232CH2012PLC034188

iv DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on March 31, 2016, 86.82 % of the Company's shares were held in dematerialized form and the remaining 13.18% in physical form. The break up is listed below:

Category	No Of Shares Held	Shareholding(%)
PHYSICAL	686576	13.18%
ELECTRONIC IN NSDL	1489960	28.6%
ELECTRONIC IN CDSL	3032544	58.22%
	5209080	100%

V CATEGORIES OF SHAREHOLDING:

Categories	No of shares held	Percentage of shareholding
PROMOTER	1436636	27.57%
MARKET MAKER	100000	2%
BODY CORPORATE	110000	2.11%
PUBLIC HOLDING	3279355	62.95%
HUF	283089	5.43%
TOTAL	5209080	100%

vi DATE OF BOOK CLOSURE:

The Share Transfer Books and Members Register of the Company will remain closed from 24th September, 2016 to 30th September, 2016 (both days inclusive).

vii STOCK CODE AND ROC CODE

BSE CODE: 539800

ISIN No.: INE043U01010

The Company is registered in the Union Territory of Chandigarh, India

viii REGISTRAR AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED

SUBMARAMANIAN BUILDING, NO.1

CLUB HOUSE ROAD

TAMIL NADU, CHENNAI

PHONE: 044 -23460390

E-MAIL: cameo@cameoindia.com

ix REGISTERED OFFICE

S.C.O 19, 1ST FLOOR, INDUSTRIAL AREA
PHASE II, CHANDIGARH

PHONE: 0172-5086877

Website: www.chdchemicalsltd.com

CIN No.: U24232CH2012PLC034188

x MEANS OF COMMUNICATION

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with provisions of the Listing Regulations and also uploaded on the Company's website – www.chdchemicalsltd.com

xi MARKET PRICE DATA

As the company got listed on BSE SME Platform on 1st April, 2016 no market data is available as on 31st March, 2016.

xii INSIDER TRADING

The Board has laid down code of conduct for insider trading in compliance with SEBI (Prohibition of Insider Trading) Regulations 2015 . All the directors and senior management personnel who are expected to have access to unpublished price sensitive information concerning the Company is responsible for adherence to this code.

DECLARATION REGARDING CODE OF CONDUCT

This is to certify that the Company had laid down code of conduct for all the board members and senior management personnel of the Company. Further certified that the members of the board of directors and senior management personnel have affirmed the compliance with the code applicable to them during the year ended 31st March 2016.

**By Order of the Board of Directors
For CHD CHEMICALS LIMITED.**

SD/-

**Place: CHANDIGARH.
Dated: 30th August, 2016.**

**DIVYA KOTHARI
MANAGING DIRECTOR
DIN – 03592047**

ANNEXURE VI

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

OVERVIEW OF CHEMICAL INDUSTRY IN INDIA

The Indian chemical industry is one of the oldest industries in India and has made immense contribution to the industrial and agricultural development of India. It encompasses both large and small-scale units. The fiscal incentives granted to the small-scale units in the mid-1980s provided the thrust to the growth of MSMEs in the sector. The chemical industry serves the needs of sectors such as textiles, leather, plastics, paper, printing inks and food stuffs, among others.

The sector covers over 70,000 commercial products, and provides the feedstock to many downstream industries such as finished drugs, dyestuffs, paper, synthetic rubber, plastics, polyester, paints, pesticides, fertilizers and detergents. Over the years, the industry has been evolving with a shift towards product innovation, brand building and environmental friendliness. Besides, customer focus is gaining significance in the industry.

Leading Position Globally

In terms of volume of production Indian chemical industry stood as 3rd largest producer in Asia and 12th in world.

Indian chemical industry could grow at 14 per cent p.a. to reach size of USD350 billion by 2021.

Indian Chemical industry is 6th in the World and 3rd in Asia in value added terms at constant prices

High GDP Share

The chemical industry in India is a key constituent of Indian economy, accounting for about seven per cent of the GDP

Global Dye Supplier

India accounts for approximately 7 per cent of the world production of dyestuff and dye

intermediates, particularly for reactive acid and direct dyes

CHARACTERISTICS OF THE INDIAN CHEMICAL INDUSTRY

- The industry has changed over time to meet the dynamic needs of an emerging economy
- Strong economic growth and rise in per-capita income has meant a steady increase in demand for chemicals
- Expected to clock a growth of 14 per cent over the next decade
- The industry has left behind a low-growth and regulated environment to emerge more mature
- There is strong government support towards R&D; this would benefit the sector

Business Overview

Our Company was originally incorporated at Chandigarh as "CHD Chemicals Private Limited" on 5th November, 2012 under the provisions of the Companies Act, 1956.

Our Company was converted in to a Public Limited Company and consequently the name was changed to "CHD Chemicals Limited" vide fresh certificate of incorporation dated 12th November, 2015 issued by the Registrar of Companies, Punjab and Chandigarh.

Our company is engaged in the business of trading and distribution of high quality chemicals and dyes for textiles industry, leather, and paper industries. We also deal in Construction Chemicals.

We are a chemicals and dyes trading and distribution company with a diverse product portfolio. We are in the trading business since our inception.

We are a professionally managed and growing organization which aims at strengthening and establishing itself as the foremost trader of chemicals and dyes for textile and auxiliary. We also aim at achieving greater and long-term growth.

We are engaged in the business of trading in high quality chemicals & dyes for Textile Industry.

The main suppliers of the Company are Huntsman International (India) Pvt. Ltd. and Fine Organic Industries, Mumbai.

Huntsman International (India) Pvt. Ltd being a United States base company.

SWOT

Strengths

- Diversified product portfolio
- Strong managerial capability
- Cordial relations with Customers
- Adaptability of company in the fast changing environment
- Sound structured facilities
- Reputed suppliers
- Efficient supply chain management

Weaknesses

- Higher taxes
- Dependence on suppliers for products availability
- Working capital intensive due to payment delays from customers

Opportunities

- Large Potential.
- Increasing interest of foreign players in India
- Increasing demand

Threats

- Competition from other developing countries especially from China
- Rising prices of materials
- Formation of cartels
- Government & regulatory norms
- Fluctuations in the material prices

Outlook

The long term objective of the Company is to remain strong player in the market with strong emphasis on product and market development. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of this overall boom likely to happen for the Indian markets and will do all out efforts to secure the bigger share of the increasing market in future.

Internal Control Systems and Their Adequacy

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Material Developments in Human Resources

During the year, your Company has appointed Independent Directors and Chief financial Officer on 12th November, 2015 and Managing Director and Company Secretary and Compliance Officer on 15th December, 2015. Apart from this there has been no material development on the Human Resources front during the year.. The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year



DISCUSSION ON THE RESULTS OF OPERATIONS

For the period ended 31st March, 2016

Particulars	(Rs. In Lacs)	% of Total Income
Total Income	4041.18	100.00
Expenditure (Excluding Depreciation, Interest & Tax)	3969.22	98.21
Depreciation & Amortizations	12.91	0.31
Interest & Finance Charges	25.37	0.62
Net Profit before Tax	38.40	0.95
Taxes	11.24	0.27
Net Profit after Taxes	27.16	0.67

ANALYSIS ON RESULTS OF OPERATION

Considering the various key factors affecting our income and expenditure, our results of operations may vary from period to period.

The following table set forth certain information with respect to our results of operations for the periods indicated.

Particulars	(Rs in Lacs)	
	31.03.2016	31.03.2015
Income:-		
Operational Revenue	4036.25	4443.28
Increase/Decrease (%)	(9.16)%	-
Other Income	4.92	4.25
Increase/Decrease(%)	15.76%	-
Expenditure:-		
Purchases & Direct Expenses	3790.01	4304.26
Increase/Decrease(%)	(11.45)%	-
Increase/Decrease in Stock In Trade	0.18	(136.97)
Employees Expenses	81.07	89.92
Increase/Decrease(%)	(9.84)%	-
Other Administrative & Selling Expenses	97.95	123.87
Increase/Decrease(%)	(20.93)%	-
Profit before Depreciation, Interest & Tax	71.96	66.45
Increase/Decrease(%)	8.29%	-
Profit before Interest & Tax	59.05	57.14
Increase/Decrease (%)	3.34	-
Interest & Finance Charges	25.37	26.94
Net Profit before tax	38.40	30.20
Increase/Decrease(%)	27.15%	-
Net Profit After Tax	27.16	20.98
Increase/Decrease(%)	29.46%	-

CHD CHEMICALS LIMITED
Regd. Office: SCO 19,1ST FLOOR, INDUSTRIAL AREA, PHASE II, CHANDIGARH – 160002

Tel.: 0172-5086877; **CIN:** U24232CH2012PLC034188

Email: info@ccichd.com **Website:** www.chdchemicalsltd.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		
E-mail Id	Folio No /Client ID	DP ID

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 04th Annual General Meeting of the company, to be held on Friday, the 30th day of September,2016 at 11:00 a.m. at Hotel Solitaire SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2.	Appointment of M/s Naresh M Kumar & Associates, Chartered Accountants (Firm Registration No. FRN 027357N) as Statutory Auditors & fixing their remuneration		
3.	To appoint Mr. Inder Singh (DIN: 06486481) as a Director liable to retire by rotation.		
4.	To appoint Ms. Divya Kothari (DIN: 03592047) as a Managing Director of the Company.		
5.	To appoint Mr. Vijender Singh (DIN: 07339155) as an Independent Director		
6.	To appoint Mr. Bajrang Lal Kedia(DIN: 07339265) as an Independent Director		

*** Applicable for investors holding shares in Electronic form.**

Signed this _____ day of _____ 20____

**Signature of Shareholder
across Revenue Stamp**

Signature of Proxy holder

Signature of the shareholder

Affix Revenue
Stamps

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

CHD CHEMICALS LIMITED**Regd. Office:** SCO 19,1ST FLOOR, INDUSTRIAL AREA, PHASE II, CHANDIGARH – 160002**Tel.:** 0172-5086877; **CIN:** U24232CH2012PLC034188**Email:** info@ccichd.com **Website:** www.chdchemicalsltd.com**ATTENDANCE SLIP**

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

4th Annual General Meeting on Friday, the 30th day of September,2016 at 11:00 a.m. at Hotel Solitaire SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh.

Full name of the members 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 4th Annual General Meeting on Friday, the 30th day of September,2016 at 11:00 a.m. at Hotel Solitaire SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) A Proxy need not be a member of the Company.
- 3) 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.
- 4) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CHD CHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Chd Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to



provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter mentioned in preceding paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and

e) On the basis of written representations received from the directors as on 31 March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund].

FOR NARESH M KUMAR & CO.
CHARTERED ACCOUNTANTS

NARESH KUMAR
M.No.093076
FRN 027357N

Date: 28.05.2016
Place: CHANDIGARH

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented

upon.

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the



- information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised money by way of initial public offer by issue of 1800000 equity shares of Rs 10/- each issued at premium of Rs 1.00 each. The funds raised thru IPO company have been applied for the purpose for which they were raised.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR NARESH M KUMAR & CO.
CHARTERED ACCOUNTANTS

NARESH KUMAR
M.No.093076
FRN 027357N

Date: 28.05.2016
Place: CHANDIGARH

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of CHD CHEMICALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CHD Chemicals Limited, Chandigarh ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial



reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR NARESH M KUMAR & CO.
CHARTERED ACCOUNTANTS

NARESH KUMAR
M.No.093076
FRN 027357N

Date: 28.05.2016
Place: CHANDIGARH

CHD CHEMICALS LTD.
BALANCE SHEET FOR THE YEAR ENDED 31.03.2016
AMOUNT IN RS

S.NO.	PARTICULARS	NOTE	Year Ended On 31 st.March,2016	Year Ended On 31March,2015
I.	EQUITY AND LIABILITIES			
1)	SHAREHOLDERS' FUNDS			
	A) Share Capital	2.1.1	52,090,800.00	34,090,800.00
	B) Reserves and surplus	2.1.2	8,388,031.34	3,871,885.65
	C) Money Received against Share Warrants	2.1.3	0.00	0.00
	Sub-Total		60,478,831.34	37,962,685.65
2)	SHARE APPLICATION MONEY PENDING ALLOTMENT	2.2	0.00	0.00
3)	NON CURRENT LIABILITIES			
	A) Long Term Borrowings	2.3.1	0.00	372,527.00
	B) Deferred tax Liabilities	2.3.2	0.00	0.00
	C) Other Long Term Liabilities	2.3.3	0.00	425,000.00
	D) Long Term Provisions	2.3.4	0.00	0.00
	Sub-Total		0.00	797,527.00
4)	CURRENT LIABILITIES			
	A) Short term borrowings	2.4.1	20,814,787.28	18,402,154.63
	B) Trade payables	2.4.2	147,126,558.91	137,340,326.91
	C) Other Current Liabilities	2.4.3	18,124,963.00	1,657,098.41
	D) Short term provisions	2.4.4	1,068,502.00	922,450.00
	Sub-Total		187,134,811.19	158,322,029.95
	Grand Total		247,613,642.53	197,082,242.60
II.	ASSETS			
1)	NON CURRENT ASSETS			
	A) FIXED ASSETS :	2.5.1		
	i) Tangible assets		3,217,415.43	5,070,506.50
	ii) Intangible assets		0.00	0.00
	Sub-Total		3,217,415.43	5,070,506.50
	B) Non-current Investment	2.5.2	0.00	0.00
	C) Deferred tax assets (net)	2.5.3	0.00	0.00
	D) Long term loan and advances	2.5.4	1,753,900.00	1,511,200.00
	E) Other non-current assets	2.5.5	1,924,850.00	431,772.00
	Sub-Total		3,678,750.00	1,942,972.00
2)	CURRENT ASSETS			
	A) Current investment	2.6.1	0.00	0.00
	B) Inventories	2.6.2	25,981,965.00	26,000,525.00
	C) Trade receivables	2.6.3	179,354,926.57	155,193,391.89
	D) Cash and cash equivalents	2.6.4	32,539,263.49	5,016,942.57

E) Short-term loans and advances	2.6.5	925,000.00	813,400.00
F) Other currents assets	2.6.6	1,916,322.04	3,044,504.64
Sub-Total		240,717,477.10	190,068,764.10
Grand Total		247,613,642.53	197,082,242.60

Audited in terms of our report of even date.

FOR NARESH M KUMAR & CO.

FOR AND ON THE BEHALF OF BOARD

NARESH KUMAR
M. NO. 093076
FRN 027357N

Chairman
CFO
Company Secretary

Inder Singh
Kamal Kumar Shah
Harsimran Jit Kaur

DATE : 28.05.2016
PLACE : CHANDIGARH

CHD CHEMICALS LTD.

STATEMENT OF PROFIT & LOSS

S.N O.	PARTICULARS	NOTE	Year Ended On 31 st.March,2016	Year Ended On 31 st.March,2015
I)	INCOMES :			
	A) Revenue from operations	2.8.1	403,625,193.10	444,328,761.62
	B) Other Income	2.8.2	492,827.00	425,123.00
	Total Revenue		404,118,020.10	444,753,884.62
II)	EXPENDITURES :			
	A) Cost of Purchases	2.9.1	379,001,414.71	430,426,412.08
	B Change in inventories of finished goods,work in progress and stock in trade	2.9.2	18,560.00	(13,697,855.00)
	C) Employees benefit expenses	2.9.3	8,107,339.00	8,992,614.00
	D) Finance cost	2.9.4	2,537,634.30	2,693,798.00
	E) Depreciation and amortization expenses	2.9.5	1,291,841.16	931,226.50
	F) Other expenses	2.9.6	9,795,525.33	12,387,285.83
	Total expenses		400,752,314.50	441,733,481.41
III)	Profit before exceptional and extraordinary items and tax (I-II)		3,365,705.60	3,020,403.21
IV)	Exceptional items	2.10	474,562.09	0.00
V)	Profit before extraordinary items and tax (III-IV)		3,840,267.69	3,020,403.21
VI)	Extraordinary items		0.00	0.00
VII)	PROFIT BEFORE TAX (V-VI)		3,840,267.69	3,020,403.21
VIII)	Tax Expenses			
	A) Current Tax			
	- Income Tax		1,124,122.00	922,450.00
	- Less : MAT Credit Entitlement		0.00	0.00
	B) Deferred Tax		0.00	0.00
IX)	Profit (Loss) for the period from continuing operations(VII-VIII)		2,716,145.69	2,097,953.21
X)	Profit/(Loss) from discontinuing operations		0.00	0.00
XI)	Tax expenses of discontinuing operations		0.00	0.00
XII)	Profit/(Loss) from discontinuing operations (after Tax) (X - XI)		0.00	0.00
XIII)	Profit (Loss) for the period (IX +XII)		2,716,145.69	2,097,953.21
XIV)	Earnings per Equity Share:			
	A) Basic		0.52	0.62

Audited in terms of our report of even date.

FOR NARESH M KUMAR & CO.

FOR AND ON THE BEHALF OF BOARD

NARESH KUMAR
M. NO. 093076
FRN 027357N

Chairman Inder Singh
CFO Kamal Kumar Shah
Company Secretary Harsimran Jit Kaur

DATE : 28.05.2016

PLACE : CHANDIGARH

CHD CHEMICALS LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2016

Particulars	31.03.2016	31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes	3840267.69	3020403.21
Adjustment for:		
Add: Depreciation & Amortisation	1291841.16	931226.50
Add: Interest & Finance Charges	2537634.30	2693798.00
Operating Profit before Working capital changes	7669743.15	6645427.71
Adjustments for:		
Decrease (Increase) in Trade & Other Receivables	-24161534.68	-42397799.10
Decrease (Increase) in Short Term Loans & Advances	-111600.00	908891.50
Decrease (Increase) in Inventories	18560.00	-13697855.00
Decrease (Increase) in Other Current Assets	1128182.60	-536545.30
Increase (Decrease) in Trade Payables	9786232.00	20602233.50
Increase (Decrease) in Other Current Liabilities & Provisions	16613916.59	662005.51
Net Changes in Working Capital	3273756.51	-34459068.89
Cash Generated from Operations	10943499.66	-27813641.18
Taxes	1124122.00	922450.00
Net Cash Flow from Operating Activities (A)	9819377.66	-28736091.18
CASH FLOW FROM INVESTING ACTIVITIES		
Sale /(Purchase) of Fixed Assets	1069447.91	-95825.00
Decrease (Increase) in Investments	-	-
Decrease (Increase) in Other Non Current Assets	-2001276.00	-539715.00
Net Cash Flow from Investing Activities (B)	-931828.09	-635540.00
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital and Proceeds / (Refund) from Share Application Money	19800000.00	21369880.00
Interest & Finance Charges	-2537634.30	-2693798.00
Increase / (Repayment) of Long Term Borrowings	-372527.00	-4440108.35
Increase / (Repayment) of Short Term Borrowings	2412632.65	15019409.53
Decrease (Increase) in Long Term Loans & Advances	-242700.00	-
Decrease (Increase) in Long Term Liabilities	-425000.00	-
Net Cash Flow from Financing Activities (C)	18634771.35	29255383.18
Net Increase / (Decrease) in Cash & Cash Equivalents	27522320.92	-116248.00
Cash and cash equivalents at the beginning of the year / Period	5016942.57	5133190.57
Cash and cash equivalents at the end of the year/ Period	32539263.49	5016942.57

CHD CHEMICALS LTD.
2. NOTES ON ACCOUNT OF THE YEAR ENDED 31st March,2016

The previous period figures have been regrouped and reclassified, wherever necessary to conform to the current presentation.

2.1 SHAREHOLDERS FUND
2.1.1 SHARE CAPITAL

Particulars	Year Ended 31 March,2016	Year Ended 31 March,2015
A) Authorized:		
6000000 Equity Shares of Rs. 10/- each	60,000,000.00	50,000,000.00
TOTAL	60,000,000.00	50,000,000.00
B) Issued, Subscribed and Paid-Up:		
5209080 Equity Shares of Rs. 10/- each*	52,090,800.00	34,090,800.00
TOTAL	52,090,800.00	34,090,800.00

* The Company has only one class of equity shares, fully paid, having a par value of Rs. 10/- each. Each holder is entitled to one vote per share.

During the Current year 2015-16 the company has issued 1800000 equity shares of face value of Rs 10/- at premium of Rs 1.00 by Initial Public Offer(IPO).

2.1.1.1 Reconciliation of number of share outstanding :

Particulars	Year Ended 31 March,2016	Year Ended 31 March,2015
A) Equity Shares		
Number of shares at the beginning	3,409,080	1,363,000
Add : Share issued during the year	1,800,000	2,046,080
NUMBER OF Share at the end	5,209,080	3,409,080
NUMBER OF Share at the end	5,209,080	3,409,080

2.1.1.2 Details of shareholders holding more than 5% shares in the company

Particulars	Year Ended 31 March,2016	% Holding in the SHARES	Year Ended 31 March,2015	% Holding in the SHARES
A) Equity Shares of Rs 10 each fully paid up				
Ms. Divya Kothari	1,436,636.00	27.58	1,436,636.00	42.14
Mr. Ankit Kothari	527,181.00	10.12	527,181.00	15.46
Mr. Naresh Pawaria			216,681.00	6.36

2.1.2 RESERVE AND SURPLUS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Profit & Loss Account		
Opening Balance	2,962,805.65	864,852.44
Add: Net profit after tax transferred from Statement of Profit and Loss	2,716,145.69	2,097,953.21
Total	5,678,951.34	2,962,805.65
B) Share premium	2,709,080.00	909,080.00
Total Reserve & surplus	8,388,031.34	3,871,885.65

2.1.3 AMOUNT RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Share Warrants Issued	0.00	0.00
TOTAL	0.00	0.00

2.2 Share Application Money Pending Allotment

Particulars	As at 31 March,2016	As at 31 March,2015
A) Share Application Money Pending Allotment (Non Refundable)	0.00	0.00
TOTAL	0.00	0.00

2.3 Non Current Liabilities

2.3.1 Long Term Borrowings

Particulars	Year Ending	Year Ending	Year Ending	Year Ending
	31 March,2016	31 March,2016	March31st,2015	March31st,2015
	NON CURRENT	CURRENT	NON CURRENT	CURRENT
I) Secured				
A) Term Loans from Banks		0.00	0.00	0.00
i) Tata finance				
ii) ICICI Bank Ltd*	0.00	0.00	372,527.00	0.00
II) Un secured				
A) Term Loans from NBFC				
i) Others	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	372,527.00	0.00

* Secured by Hypothecation of Vehicles.

2.3.2 DEFERRED TAXES LIABILITIES

Particulars	As at 31 March,2016	As at 31 March,2015
A) Deferred tax Liability	0.00	0.00
TOTAL	0.00	0.00

2.3.3 Other Long Term Liabilities

Particulars	As at 31 March,2016	As at 31 March,2015
UNSECURED LOAN :		
A) From Director	0.00	425,000.00
	0.00	425,000.00

2.3.4 Long Term Provisions

Particulars	As at 31 March,2016	As at 31 March,2015
A) Others Long Term Provisions	0.00	0.00
TOTAL	0.00	0.00

2.4 Current Liabilities

2.4.1 Short Term Borrowings

Particulars	As at 31 March,2016	As at 31 March,2015
I)Secured *		
A) Working Capital Loans : Banks (Rupees Loan)		
i) Axis Bank Ltd OCC	20,814,787.28	18,402,154.63
TOTAL	20,814,787.28	18,402,154.63

* Secured by Hypothecation of all stocks and Book Debts & further personally guaranteed by the Directors of the company.

2.4.2 Trade Payables

Particulars	As at 31 March,2016	As at 31 March,2015
I) Sundry Creditors :		
(Unsecured)		
A) Micro, Small & Medium Enterprises*		
B) Others :		
i) Payables outstanding	147,126,558.91	137,340,326.91
TOTAL	147,126,558.91	137,340,326.91

* The details of amounts out standing to Micro, Small and Medium Enterprises is based upon the information provided by the company. No interest during the year has been paid under the terms of the MSMED Act 2006.

2.4.3 Other Current Liabilities

Particulars	As at 31 March,2016	As at 31 March,2015
A) Statutory Liabilities	161,638.00	21,417.41
B) Cheque Issued but not presented	16,067,644.00	-
D) Other Liabilities	1,895,681.00	1,635,681.00
TOTAL	18,124,963.00	1,657,098.41

2.4.4 SHORT-TERM PROVISIONS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Provision for employee Benefits	0.00	0.00
B) Others	1,068,502.00	922,450.00
TOTAL	1,068,502.00	922,450.00

2.5 NON CURRENT ASSETS
2.5.1 FIXED ASSETS

Particulars	As at 31 March,2016	As at 31 March,2015
I) TANGIBLE ASSETS		
A) Gross Block*	6,083,877.00	5,988,052.00
Add : During The Year	129,990.00	95,825.00
Less : Sale	1,592,519.00	0.00
Net Gross Block	4,621,348.00	6,083,877.00
Less : Accumulated Depreciation	1,403,932.57	1,013,370.50
Sub-Total	3,217,415.43	5,070,506.50
II) INTANGIBLE ASSETS	0.00	0.00
TOTAL	3,217,415.43	5,070,506.50

* A detailed chart depicting the details of company's assets and computation of depreciation thereof has been annexed in Annexure – A.

2.5.2 NON CURRENT INVESTMENTS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Other Non-Current Investments	0.00	0.00
TOTAL	0.00	0.00

2.5.3 DEFERRED TAX ASSETS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Deferred tax Asset	0.00	0.00
TOTAL	0.00	0.00

2.5.4 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March,2016	As at 31 March,2015
A) Security Deposits	1,753,900.00	1,511,200.00
TOTAL	1,753,900.00	1,511,200.00

2.5.5 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Others :		
i) Deferred Revenue Expenses upto the extent not written off	0.00	0.00
Opening Balance	431,772.00	0.00
Incurred during the year*	2,001,276.00	539,715.00
Written off during the year	508,198.00	107,943.00
Balance carried over	1,924,850.00	431,772.00
TOTAL	1,924,850.00	431,772.00

*During the Current year 2015-16 the company has incurred expenses of Rs 2001276/- on IPO and for increase of Authorised Share Capital from Rs 5.00 crore to Rs 6.00 crore.

2.6 CURRENT ASSETS

2.6.1 CURRENT INVESTMENTS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Others :	0.00	0.00
TOTAL	0.00	0.00

2.6.2 Inventories*

Particulars	As at 31 March,2016	As at 31 March,2015
A) Stocks of Finished goods	25,981,965.00	26,000,525.00
TOTAL	25,981,965.00	26,000,525.00

* As certified & valued by the management of the company on the date of Balance Sheet.

2.6.3 Trade Receivables

Particulars	As at 31 March,2016	As at 31 March,2015
A) Sundry Debtors		
i) Over Six Months	5,502,034.90	1,073,869.60
ii) Others	173,852,891.67	154,119,522.29
Sub-Total	179,354,926.57	155,193,391.89
Less: Provision for doubtful debts	-	-
TOTAL	179,354,926.57	155,193,391.89

(Unsecured, considered good unless otherwise stated)

2.6.4 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March,2016	As at 31 March,2015
A) Cash in hand	558,955.20	374,649.20
B) Cheque In Hand	2,693,275.00	
C) Balance with Banks	25,152,105.29	812,509.37
D) Fixed Deposit with Banks*	4,134,928.00	3,829,784.00
TOTAL	32,539,263.49	5,016,942.57

* The Fixed deposits with banks are under lien of the bank on account of the margin against issuance of Bank Guarantee.

2.6.5 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31March,2016	As at 31March,2015
A) Others - Loan, Advances	925,000.00	813,400.00
TOTAL	925,000.00	813,400.00

2.6.6 OTHER CURRENT ASSETS

Particulars	As at 31 March,2016	As at 31March,2015
A) Interest Receivable	123,081.00	152,257.00
B) VAT Receivable	221,686.47	1,869,865.82
CST	13,899.75	0.00
C) Others (All assets which are not classified above)	1,557,654.82	1,022,381.82
TOTAL	1,916,322.04	3,044,504.64

(Unsecured, considered good unless otherwise stated)

2.7 CONTINGENT LIABILITIES & COMMITMENTS*

Particulars	As at 31 March,2016	As at 31 March,2015
A) Contingent Liabilities		
i) Bank Guarantee	0.00	25,000,000.00
B) Commitments		

*The above liabilities are routine business transactions. No provision for the same has been made in the books of accounts.

2.8.1 REVENUE FROM OPERATION

Particulars	Year Ended 31 March,2016	Year Ended 31 March,2015
A) Gross Sales	403,625,193.10	444,328,761.62
Net Sales	403,625,193.10	444,328,761.62
SubTotal		
B) Other Operating Incomes	0.00	0.00
TOTAL	403,625,193.10	444,328,761.62

2.8.2 OTHER INCOME

Particulars	Year Ended 31 March,2016	Year Ended 31 March,2015
A) Interest	492,827.00	425,123.00
B) Other Non Operating Income	0.00	0.00
TOTAL	492,827.00	425,123.00

2.9 EXPENDITURES**2.9.1 COST OF MATERIAL CONSUMED**

Particulars	Year Ended 31 March,2016	Year Ended 31 March,2015
A) PURCHASE	379,001,414.71	430,426,412.08
TOTAL	379,001,414.71	430,426,412.08

2.9.2 Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade

Particulars	Year Ended	Year Ended
	31 March,2016	31 March,2015
A) Opening Stock :		
i) Finished Goods	26,000,525.00	12,302,670.00
TOTAL	26,000,525.00	12,302,670.00
B) Closing Stock :		
i) Finished Goods	25,981,965.00	26,000,525.00
TOTAL	25,981,965.00	26,000,525.00
INCREASE(-)/DECREASE(+) IN STOCKS (A-B)	18,560.00	(13,697,855.00)

2.9.3 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended	Year Ended
	31 March,2016	31 March,2015
A) Salaries, Wages and Other Incentives	7,452,397.00	8,393,984.00
B) Welfare Expenses	654,942.00	598,630.00
C) Contribution to Provident and Other Funds.	0.00	0.00
TOTAL	8,107,339.00	8,992,614.00

2.9.4 FINANCE COSTS

Particulars	Year Ended	Year Ended
	31 March,2016	31 March,2015
A) Interest on Term Loan	15,733.00	78,878.03
B) Interest on Working Capital	2,086,386.00	2,086,592.00
C) Other Interest	45000.00	0.00
D) Bank & Other Charges	390,515.30	528,327.97
TOTAL	2,537,634.30	2,693,798.00

2.9.5 DEPRECIATION AND AMORTISATION CHARGE

Particulars	Year Ended	Year Ended
	31 March,2016	31 March,2015
A) Depreciation	783,643.16	823,283.50
B) Amortization - Deferred Revenue Expenses	508,198.00	107,943.00
TOTAL	1,291,841.16	931,226.50

Note: during the current year 2015-16 The company has incurred expenses of RS 2001276/-on IPO and for increased the Authorised share capital from Rs 5.00 Crore to Rs 6.00 Crore. 1/5th expenses was written off in the current year.

2.9.6 OTHER EXPENSES

PARTICULARS	Year Ended 31 March,2016	Year Ended 31 March,2015
I) ADMINISTRATIVE AND OTHERS EXPENSES		
ADMINSATRATION EXPENSES	285,172.00	192,383.00
CHARITY & DONATION A/C	11,000.00	22,100.00
SOFTWARE UPDATION /COMPUTER EXP /WEBSITE DEVELOPMENT	19,041.00	43,401.00
CONVEYANCE EXP A/C	724,825.00	794,125.00
ELECTRICITY & WATER	73,244.00	100,543.00
OFFICE MODIFICATION	0.00	985,500.00
MISC EXPENSES	586.31	4,246.72
POSTAGE & TELEGRAM EXP	237,250.00	105,639.00
PRINTING & STATIONARY A/C	409,256.00	504,438.00
RENT ACCOUNT	683,991.00	388,919.00
TELEPHONE EXPENSES	313,421.00	206,476.71
TOUR & TRAVEL EXP	1,303,206.00	1,187,250.81
VEHICLE RUNNING & MAINTT	954,436.00	1,028,515.00
INSURANCE	66,452.00	63,862.00
CERTIFICATION CHAREGS	99,655.00	103,702.76
INCOME TAX	0.00	33,390.00
LEGAL & PROFETIONAL EXP	58,010.00	70,000.00
RECRUITMENT EXP	0.00	15,705.00
ROC FEES	11,200.00	18,000.00
RATE & TAXES	75,215.00	12,205.00
Sub-Total (I)	5,325,960.31	5,880,402.00
II)SELLING & DISTRIBUTION EXPENSES		
SAMPLING EXPENCES	104,155.00	0.00
SALES PROMOTION	712,443.00	1,331,796.00
FREIGHT OUTWARD A/C	638,658.00	682,896.00
REBATE & DISCOUNT ALLOWED	142,674.02	1,791,328.43
GODOWN RENT	462,838.00	198,990.00
SALES INCENTIVE	1,021,350.00	1,311,685.00
LAB EXPENCE/ TESTING CHARGES	250,375.00	49,438.40
PACKING EXPENCES	399,472.00	414,475.00
ADVERTISEMENT EXP.	0	10,000.00
DIWALI EXP	737,600.00	716,275.00
Sub-Total (II)	4,469,565.02	6,506,883.83
TOTAL (I+II)	9,795,525.33	12,387,285.83

2.10 EXCEPTIONAL ITEMS & PRIOR PERIOD ITEMS

Particulars	Year Ended	Year Ended
	31 March,2016	31 March,2015
A) Prior Period Expenditure	0.00	0.00
B) Prior Period Income	0.00	0.00
C) Profit on sale of Vehicle	474,562.09	
TOTAL	474,562.09	0.00

2.11 ADDITIOANAL DISCLOSURES
2.11.2 OTHER INFORMATION

Particulars	Year Ended	Year Ended
	31 March,2016	31 March,2015
a) Directors Remuneration		
i) Ms Divya Kothari	177419.00	0
TOTAL	177419.00	0

DATE : 28.05.2016 **Inder Singh** **Kamal Kumar Shah** **Harsimran Jit Kaur**
PLACE : CHANDIGARH **(Chairman)** **(CFO)** **Company Secretary**

ANNEXURE - A

CHD CHEMICALS PVT LTD.											
Fixed Asset Schedule ' A ' to Balance Sheet (As per Companies Act, 2013)											
Particulars	Gross Block				Rate Of Dep	Depreciation				Net Block	
	Amount As On 31.03.2015	Additions	Deletions	Amount As On 31.03.2016		Amount As On 31.03.2015	During the year	Withdrawn during the year	Amount as on 31.03.2016	W.D.V. as on 31.03.2016	W.D.V. as on 31.03.2015
Office Equipment	136250.00	129990.00		266240.00		23119.00	44069.99		67188.99	199051.01	113131.00
Computers	126570.00	0.00		126570.00		49102.00	51655.46		100757.46	25812.54	77468.00
Furniture & Fixtures	5461.00			5461.00		679.00	563.66		1242.66	4218.34	4782.00
Vehicles:-	5815596.00		1592519.00	4223077.00		940470.50	687354.05	393081.09	1234743.46	2988333.54	4875125.50
Total	6083877.00	129990.00	1592519.00	4621348.00		1013370.50	783643.16		1403932.57	3217415.43	5070506.50
PREVIOUS YEAR	5988052.00	95825.00		6083877.00		190086.00	823284.00		1013370.50	5070506.50	5797966.00

CHD CHEMICALS LTD

FINANCIAL YEAR 2015-16

DISCLOSURE OF ACCOUNTING POLICIES AND GENERAL PROFILE OF COMPANY

1. NATURE OF OPERATION:-

CHD CHEMICALS LTD (herein after referred to as 'The Company' is a doing trading of CHEMICALS.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, except where otherwise stated. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

b) Accrual System of Accounting is followed to record income and expenditures.

c) Fixed Assets are shown at Historical cost. Cost of the fixed assets comprises purchase price, duties, levies and direct / indirect attributable cost of bringing the assets to its working condition for intended use. Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition and installation are included in the cost of the assets. Expenditure for addition, improvement and renewals are capitalized and expenditure for repair and maintenance are charged to Profit & Loss Account.

d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

e) Sales are recognized on the basis of dispatch of goods to the customers and are accounted for net of return, discounts, VAT and CST, where applicable.

f) Depreciation on Fixed Assets provided on straight-line basis in accordance to the provisions of Schedule II of the Companies Act, 2013.

g) All the related incomes & expenditures clubbed to respective single head and shown in the profit & loss account.

h) During the Current year the company comes with IPO for 1800000 equity shares of Rs 10/- each issued at premium of Rs 1.00 each. The issue was fully subscribed. The

company incurred expenses of Rs 2001276/- on IPO and for increase of Authorised share capital from Rs 5.00 crore to Rs 6.00 crore. 1/5th expenses was written off in the current year and balance carried over under the head Deffered Revenue Expenses.

i) Valuation of Inventories :-

i) Stocks are valued at cost or market price whichever is lower.

j) Foreign Currency Transactions

No Transaction in Foreign Currency.

k) Borrowing Cost

l) Interest & other costs incurred by the company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

i) Government Grants

The company has not received any Government grants during the year.

3. Contingent Liabilities not provided for in respect of:-

Inland letter of Letter issued by Axis Bank Rs Nil

Bank Guarantee issued by Axis bank Nil (Rs 2.50 crore in previous year).

4. **RETIREMENT BENEFITS**

The company is not liable to pay retirement benefits.

5. **LEASES**

The company at present does not have any operational lease contract.

6. **SEGMENT REPORTING**

Based on the guiding principle given in the Accounting Standard – 17 “Segment Reporting” issued by The Institute of Chartered Accountants of India, the Company in single business segment of Trading.

7. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in Balance Sheet. The provision for all known liabilities is adequate and is neither excess nor short of the amount reasonably necessary.

8. **RELATED PARTY DISCLOSURES**

Disclosures as required by Accounting Standard – 18 “Related Party Disclosures” issued by The Institute of Chartered Accountants of India are given below:-

a) **DIRECTORS/ KEY MANAGERIAL PERSONNEL**

S. No	Name	Designation
1	DIVYA KOTHARI	MANAGING DIRECTOR
2	ANKIT KOTHARI	DIRECTOR
3	INDER SINGH	DIRECTOR & CHAIRMAN
4	VIJENDER SINGH	INDEPENDENT DIRECTOR
5	BAJRANG LAL KEDIA	INDEPENDENT DIRECTOR
6	KAMAL KUMAR SHAH	CFO
7	HARSIMRAN JIT KAUR	COMPANY SECRETARY

b) **RELATIVES OF KEY MANAGEMENT PERSONNEL**

S. No	Name	Relation
1	KITABWATI KOTHARI	MOTHER OF DIVYA KOTHARI
2	SATYAVEER SINGH KOTHARI	FATHER OF DIVYA KOTHARI
3	SUMAN SIHAG	WIFE OF VIJENDER SINGH
4	CHANDA KEDIA	WIFE OF BAJRANG LAL KEDIA
5	SUMANGLA SHAH	WIFE OF KAMAL KUMAR SHAH
6	ADITYA SHAH	SON OF KAMAL KUMAR SHAH
7	SURINDER KAUR	MOTHER OF HARSIMRAN JIT KAUR

c) DIRECTORS/RELATIVES OF DIRECTORS COMPANIES/ENTITY OWNED OR SIGNIFICANTLY INFLUENCED BY DIRECTORS

S. No	Name
1	M/S A.D. SALES CORP.
2	M/S BHARAT UDYOG
3	ANKIT TRADE & INVESTMENTS PRIVATE LIMITED

d) Related Party Transactions :-

Nature of Transactions	For The Year Ended 31 st March, 2016
Transaction during the year	Amount
REMUNERATION	
DIVYA KOTHARI DIRECTOR	Rs 177419.00
SATYAVEER SINGH KOTHARI	Rs 1125806.00
SHARES ALLOTTED	
SUMAN SIHAG	Rs 220000 (20000 Equity shares of Rs 10/- each at premium of Rs 1.00.)
CHANDA KEDIA	Rs 220000 (20000 Equity shares of Rs 10/- each at premium of Rs 1.00)
BAJRANG LAL KEDIA	Rs 110000(10000 Equity shares of Rs 10/- each at premium of Rs 1.00)
SUMANGLA SHAH	Rs 220000 (20000 Equity shares of Rs 10/- each at premium of Rs 1.00)
ADITYA SHAH	Rs 110000 (10000 Equity shares of Rs 10/- each at premium of Rs 1.00)
SURINDER KAUR	Rs 110000 (10000 Equity shares of Rs 10/- each at premium of Rs 1.00)
LOANS & ADVANCES PAID	
DIVYA KOTHARI	Unsecured Loan of Rs 425000.00 repaid in the current year 2015-16.

9. Outstanding balances in sundry debtors & creditors are subject to confirmation from the parties.
10. Figures in brackets represent figures of previous year.
11. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR NARESH M KUMAR & CO.
CHARTERED ACCOUNTANTS

(NARESH KUMAR)

Membership No: 093076

Place : Chandigarh

SD/-

SD/-

SD/-

Date : 28.05.2016

CHAIRMAN

CFO

COMPANY SECRETARY

