

6th ANNUAL REPORT

CHD CHEMICALS LIMITED

2017-2018

Corporate Information

BOARD OF DIRECTORS

MS. DIVYA KOTHARI
Mr. ANKIT KOTHARI
Mr.INDER SINGH
Mr. VIJENDER SINGH
Mr. BAJRANG LAL KEDIA

AUDITORS

R K DEEPAK & CO
CHARTERED ACCOUNTANTS

CHIEF FINANCIAL OFFICER:

KAMAL KUMAR SHAH

SECRETARIAL AUDITOR

Mr. NEERAJ JINDAL & ASSOCIATES

REGISTERED OFFICE

PLOT NO 45, 1ST FLOOR, INDUSTRIAL AREA
PHASE I, CHANDIGARH
PHONE: 0172-5086877
Website: www.chdchemicalsltd.com
CIN No.: L24232CH2012PLC034188

CORPORATE OFFICE:

PLOT NO 331, INDUSTRIAL AREA
PHASE II, PANCHKULA

REGISTRARS & TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED
SUBMARAMANIAN BUILDING, NO.1
CLUB HOUSE ROAD
TAMIL NADU, CHENNAI
PHONE: 044 -28460390
E-MAIL: CAMEO@CAMEOINDIA.COM

Book Closure: Date: 23rd September, 2018 to 29th September, 2018 (both days inclusive).

NOTICE

NOTICE is hereby given that the 6th Annual General Meeting of the Members of **CHD CHEMICALS LIMITED** will be held on **Saturday, 29th September 2018 at 11.30 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, 2018

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018, 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: Modification of resolution for appointment of Statutory Auditor

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

"RESOLVED THAT in supersession to resolution passed in 5th Annual General Meeting of the Company held on 29 September 2017, M/s R K Deepak & Co (Firm Registration No. 003145N), shall continue to be the sole auditor without affecting the other terms and conditions of its appointment and in pursuance to notification issued by Ministry of Corporate Affairs dated 7 May 2018, consent of the members be and is hereby accorded to delete the requirement of ratification by the members at every Annual General Meeting of the Company in respect of appointment of the statutory auditor because of deletion of explanation given in Rule 3 of the Companies (Audit and Auditors) Rules, 2014."

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.

By Order of the Board of Directors

For CHD CHEMICALS LIMITED.

SD/-

DIVYA KOTHARI
Managing Director

DIN – 03592047

Place: CHANDIGARH.
Dated: 31st August, 2018.

**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 2017-18 are being sent by physical mode/electronic mode in case email address is registered to all the members of the company. Hard copies of the above mentioned documents are being sent by the permitted mode to those Members who have not registered their e-mail addresses. Members may please note that the Annual Report 2017-18 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 E voting is not applicable.

13. The Register of Members of the Company shall remain closed from the Saturday, 23rd September, 2018 to Friday, 29th September, 2018(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: 31st August, 2018.

CHD CHEMICALS LIMITED

Regd. Office: PLOT NO 45, 1ST FLOOR, INDUSTRIAL AREA, PHASE I, CHANDIGARH – 160001

Corporate Office: PLOT NO 331, INDUSTRIAL AREA, PHASE 2, PANCHKULA-134113

Tel.: 0172-5086877; **CIN:** L24232CH2012PLC034188

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

I / We, being the Member(s) of _____ Shares of the above named company, hereby appoint:

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 06th Annual General Meeting of the company, to be held on Saturday, the 29th day of September, 2018 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, 2018		
2.	Appointment of Statutory Auditors		
3.	Appointment of a Director in place of those retiring by rotation		

*** 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

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Tel.: 0172-5086877; **CIN:** L24232CH2012PLC034188

Email: info@ccichd.com **Website:** www.chdchemicalsltd.com

ATTENDANCE SLIP

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

6th Annual General Meeting on Saturday, the 29th day of September, 2018 at 11:30 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 6th Annual General Meeting on Saturday, the 29th day of September, 2018 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.



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**DIRECTORS' REPORT**

Dear Members,

Your Directors take great pleasure in presenting the 6th 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 2018.

1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

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

Amount in Lacs.

Particulars	2017-2018	2016-2017
Revenue from Operation	3507.25	4330.34
Other Income	74.32	4.30
Depreciation & Amortization	21.83	15.74
Profit before tax	69.41	52.78
Provision for Tax/ (Deferred tax)	17.85	18.12
Net Profit After Tax	51.55	34.66

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. 3507.25 Lacs in comparison to Last year's revenue i.e. Rs. 4330.34 Lacs
- The Profit in the Current year is Rs. 51.55 Lacs which is higher than Rs. 34.69 Lacs 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. 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.

Company has made allotment of 12,53,000 equity shares on 21st April, 2018 upon the conversion of convertible warrants.

Company has not received listing and trading approval for the 12,53,000 equity shares till the date of approval of Financial statement by the board of directors.

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

No amount has been transferred to the general reserve during the year under review.

6. SHARE CAPITAL

During the Financial Year 2017-18,

Company increased its Share Capital on following occasions:

(i) Authorized Share Capital

No Change in the Authorized capital of the company during the year under review.

(ii) Paid up Share Capital:

Pursuant to the Preferential allotment of 49,00,000 convertible warrants on 23rd March, 2017, warrant holders applied for the conversion of some warrants during the year. Subsequently company made allotment of 12,15,000 & 11,87,000 equity shares upon the conversion of warrants on 12th April, 2017 and 28th December, 2017.

The paid up share capital of the company increased from Rs 6,45,40,800 to Rs 8,85,60,800 during the year.

Company has received the trading approval from the BSE for the above mentioned equity shares on 30th May, 2017 and 7th March 2018

(iii) ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued 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.

7. 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.

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

During the year under review, there was no change in the composition of Directors.

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr. Inder Singh (DIN 06486481), being Non-Executive Director, retires by rotation and being

eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his appointment.

KEY MANAGERIAL PERSONNEL

There is no change in the Key Managerial Personnel of the company during the year under review.

BOARD COMMITTEES

Details of Board committees and term of reference is provided in the "Annexure V" corporate Governance report of the company.

9. BOARD MEETINGS

The board met 8 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.

10. 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.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2018, 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, 2018 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.

12. 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.

13. 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. 9** 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.

14. 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.

15. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s M/s R K Deepak & Co (Chartered Accountants (Firm Registration No. 003145N), were appointed as Statutory Auditor of the Company at the AGM held on 29 September 2017 to hold office for a term of five years, i.e. from the conclusion of 5th AGM of the Company till the conclusion of 10th AGM of the Company, subject to ratification of their appointment by members at each Annual General Meeting to be held during the period and fix their remuneration.

Ministry of corporate affairs vide its notification dated 7 May 2018 has omitted explanation given below under Rule 3 of the Companies (Audit and Auditors) Rules, 2014:

Provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

In context of above notification, modification is required to be made in resolution passed at the AGM held on 29 September 2017 related to appointment of Statutory Auditor of the Company.

Resolution seeking your approval on this item is included in the Notice convening the 6th Annual General Meeting. The Members are requested to modify the resolution related to the appointment of the Statutory Auditor as aforesaid.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark.

16. 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 statutory Auditor in their report.

As per the Secretarial audit report by the Secretarial Auditor, company did not file the charge form with Registrar of Company for a Vehicle Purchased worth RS 5,43,000 from Mahindra & Mahindra Financial Services Limited secured by the Hypothecation of the vehicle purchased.

Further company did not file charge with the Registrar of company for Vehicle Purchased worth RS 25,00,000 from ICICI Bank since 2016-17

Company was not able to file the form as the required documents was not received by the company from the Financial Institution.

17. 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.

18. 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, 2018 made under the provisions of Section 92 (3) of the Act in Form MGT -9 is annexed herewith as **Annexure II**.

19. 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).

20. 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.

21. 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.

22. 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.

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

Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18.

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

24. 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"**

25. 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.

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

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct. It provides direct access to the employees of the Company to approach the CFO of the company or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimization.

27. SECRETARIAL AUDIT REPORT

The Company has appointed Neeraj Jindal & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. The Report of the Secretarial Auditor is annexed to the Board's Report as Annexure 'A'.

28. BOARD EVALUATION

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had adopted a formal mechanism for evaluating its own

performance and as well as that of its Committees and individual Directors, including the Chairperson of the Board.

29. 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.

30. 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.

31. 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.

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

There has been no subsidiary/Associate/Joint Venture incorporated/ceased of your company during the financial year 2017-18.

33. 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, 2018.

34. Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act.

For and on behalf of Board of Directors

34. 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.

SD/-

Divya Kothari
Managing Director
DIN – 03592047

SD/-

Inder Singh
Director
DIN -06486481

Place: CHANDIGARH
Dated: 31ST August, 2018

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

The CHD CHEMICAL LIMITED.

PLOT NO 45, FIRST FLOOR INDUSTRIAL AREA,

PHASE I, CHANDIGARH – 160001.

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by "**CHD CHEMICAL LIMITED**" (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management including Key Managerial Personnel's (KMP) and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2018, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (to the extent applicable to the Company);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under restricted to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) As we have been given to understand that considering activities, there is no specific regulator subject to whose approval company can carry on / continue business operation. We have also in-principally verified systems and mechanism which is in place and followed by the Company to ensure Compliance of other applicable Laws (in addition to the above mentioned Laws (i to v) as applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations/ Guidelines as covered under MR-3

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observation(s):

(a) During the period under review Company did not File Charge with Registrar of Company for a Vehicle Purchased worth Rs 5,43,000 from Mahindra & Mahindra Financial Services Limited secured by the Hypothecation of the vehicle purchased.

(b) Since 2016-17 company did not File Charge with Registrar of Company for a Vehicle Purchased worth Rs 25,00,000 from ICICI Bank Limited secured by the Hypothecation of the vehicle purchased.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

We also report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.



Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken any major event / action having a material bearing on the Company's statutory compliance and affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Note: This Report is to be read along with attached Letter provided as “**Annexure - A**”

**For Neeraj Jindal & Associates
Company Secretaries**

**Date: 31.08.2018
Place: Chandigarh.**

**Sd/-
CS. Neeraj Jindal
M.No. F8270
CP. No. 9056**

‘ANNEXURE A’**To****The Members,****The CHD CHEMICAL LIMITED.
PLOT NO 45, FIRST FLOOR INDUSTRIAL AREA,
PHASE I, CHANDIGARH – 160001.****Sub: Our Report of even date is to be read along with this letter.**

Dear Sir / Madam,

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

***For Neeraj Jindal & Associates
Company Secretaries***

**Date: 31.08.2018
Place: CHANDIGARH**

***SD/-
CS. Neeraj Jindal
M.No. F8270
CP. No. 9056***

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	<p style="text-align: center;">NOT REQUIRED AS THERE ARE NO TRANSACTIONS FALLING UNDER THIS SECTION</p>
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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	ANKIT KOTHARI BROTHER OF MANAGING DIRECTOR
b)	Nature of contracts/arrangements/transaction	GUEST HOUSE AGREEMENT
c)	Duration of the contracts/arrangements/transaction	11 MONTHS W.E.F 01.06.2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	GUEST HOUSE TAKEN ON RENT FROM MR ANKIT KOTHARI
e)	Date of approval by the Board	01.06.2017
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, 2018

[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

Sl. No.	Particulars	Details
1.	Corporate Identification Number	L24232CH2012PLC034188
2.	Registration Date	05-11-2012.
3	Name of the Company	CHD CHEMICALS LIMITED
4	Category / Sub-Category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	Plot NO 45, First Floor, Industrial Area, Phase I, Chandigarh Contact:- 5086877
5	Address of the Corporate office	Plot NO 331, Industrial Area, Phase II, Panchkula, Haryana
6	Whether listed company	Yes
7.	Name, Address and contract details of the Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road Tamil Nadu, Chennai Phone: 044 -28460390

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 (Specify if there is no change)

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

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	1536636	0	1536636	23.81%	1886636	0	1886636	21.30%	-2.51%
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)	1536636	0	1536636	23.81%	1886636	0	1886636	21.30%	-2.51%
(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)	1536636	0	1536636	23.81%	1886636	0	1886636	21.30%	-2.51%
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	80000	0	80000	1.24%	0	0	0	0.00	-1.24%
SUB - TOTAL (B) (1)	80000	0	80000	1.24%	0	0	0	0.00	-1.24%
2. Non-institutions									
a) Bodies Corporate									
i) Indian	925000	0	925000	14.33	1925000	0	1925000	21.73	+7.4%
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	590000	0	590000	9.14	600000	0	600000	6.77	-2.37%
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2608595	470760	3079355	47.72%	3951356	249999	4201355	47.44%	-0.27%
c) Others specify									
HUF	40000	203089	243089	3.77%	40000	203089	243089	2.74%	-1.03%
SUB - TOTAL (B) (2)	4163595	673849	4837444	74.95%	6516356	453088	6969444	78.69%	+3.74%
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	4243595	673849	4917444	76.19%	6516356	453088	6969444	78.69%	+2.50%
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	5780231	673849	6454080	100.00	8402992	453088	8856080	100.00	00.00

ATTACHMENT D

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			
		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	1536636	23.81%	0	1886636	21.30%	0	-2.51%
	Total	1536636	23.81%	0	1536636	21.30%	0	-2.51%

ATTACHMENT E

(iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year (As on 01-04-2017)/ at the end of the year 31.03.2018					Cumulative Shareholding at the beginning of the year (As on 01-04-2017)/ at the end of the year 31.03.2018	
		No. of Shares	% of total Shares of the Company	Date	Increase / Decrease in Promoters Shareholding	Reason	No. of Shares	% of total Shares of the Company
1.	Divya Kothari	1536636	23.81%	01.04.2017	-	-	-	-
				12.04.2017	150000	conversion of warrants	1686636	
				28.12.2017	200000	conversion of warrants	1886636	
		1886636	21.30%	31.03.2018	-	-	1886636	21.30%

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 01.04.2017/ at the end of the year 31.03.2018		Shareholding during the year (01-04-17 to 31-03-18)			Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		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	251681	3.89%	01.04.2017				
				12.04.2017	+20000	Allotment*	271681	
				28.12.2017	+25000		296681	
		296681	3.35%	31.03.2018			296681	3.35%
2.	JAGDISH PRASAD ARYA	210000	3.25%	01.04.2017				
				12.04.2017	20000	Allotment*	230000	
				28.12.2017	20000	Allotment*	250000	
		250000	2.82%	31.03.2018			250000	2.82%
3.	KAPIL KUMAR KOTHARI	134227	2.08%	01.04.2017	-			
		134227	1.52%	31.03.2018	134227		134227	1.52%
4.	REENA SHARMA	162500	2.52%	01.04.2017				
		162500	1.83%	31.03.2018	162500		162500	1.83%
5.	AJAY BANSAL	150000	2.32%	01.04.2017				
				12.04.2017	20000	Allotment*	170000	
				28.12.2017	20000	Allotment*	190000	
		190000	2.15%	31.03.2018	19000		190000	2.15%
6.	KOTHARI TRADE INVESTMENTS PVT LTD.	590000	9.14%	01.04.2017				

				12.04.2017	270000	Allotment*	860000	
				28.12.2017	200000	Allotment*	1060000	
		1060000	11.97%	31.03.2018			1060000	11.97%
7.	ANKIT TRADE & INVESTMENT PRIVATE LIMITED	315000	4.88%	01.04.2017	-	-	-	
				12.04.2017	250000	Allotment*	565000	
				28.12.2017	300000	Allotment*	865000	
		865000	9.77%	31.03.2018			865000	9.77%
8.	KITABWATI KOTHARI	190909	2.96%	01.04.2017				
				12.04.2017	50000	Allotment*	240909	
				28.12.2017	20000	Allotment*	260909	
		260909	2.95%	31.03.2018			260909	2.95%
9.	DHARMENDRA CHOUDHARY	25000		01.04.2017				
				12.04.2017	50000	Allotment*	75000	
				28.12.2017	40000	Allotment*	115000	
		115000	1.30%	31.03.2018			115000	1.30%
10.	KULDEEP	92727	1.44%	01.04.2017				
				12.04.2017	+25000	Allotment*	117727	
				28.12.2017	+20000	Allotment*	137727	
				09.03.2018	+10000	Market Purchase	147727	
		147727	1.67%	31.03.2018			147727	1.67%

**Allotment of 12, 15,000 And 11, 87,000 equity shares has been made on 12.04.2017 and 28.12.2017 respectively pursuant to the conversion of convertible warrants.*

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 01.04.2017/ end of the year 31.03.2018		Shareholding during the year (01-04-2017 to 31-03-2018)			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total Shares of the company	Date	Increase/ Decrease In Shareholding	Reason	No. of Shares	% of total Shares of the
1.	DIVYA KOTHARI MANAGING DIRECTOR	1536636	23.81%	01.04.2017				
				12.04.2017	+150000	Allotment*	1686636	
				28.12.2017	+200000		1886636	
		1886636	21.30%	31.03.2018			1886636	21.30%
2.	ANKIT KOTHARI DIRECTOR	557181	8.63%	01.04.2017				
				12.04.2017	+35000	Allotment*	592181	
				28.12.2017	+20000		612181	
		612181	6.91%	31.03.2018			612181	6.91%
3.	INDER SINGH DIRECTOR	59545	0.92%	01.04.2017				
				12.04.2017	+15000	Allotment*	74545	
				28.12.2017	+20000		94545	
		94545		31.03.2018			94545	1.07%
4.	KAMAL KUMAR SHAH CHIEF FINANCIAL OFFICER	45909	0.71%	01.04.2017				
				12.04.2017	+15000	Allotment*	60909	
				28.12.2017	+15000		75909	
		75909		31.03.2018			75909	8.857
5.	BAJRANG LAL KEDIA INDEPENDENT DIRECTOR	24545	0.38%	01.04.2017				
				31.03.2018			24545	0.27%

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 (01.04.2017)				
i) Principal Amount	26500695.5	0.00	0.00	
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)	26500695.5	0.00	0.00	
Change in Indebtedness during the financial year				
Addition		0.00	0.00	
Reduction	16390603.1	0.00	0.00	0.00
Net Change		0.00	0.00	
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	10110092.44	0.00	0.00	
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)		0.00	0.00	

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	600000			600000
	(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)	600000			600000
	Ceiling as per the Act	(Remuneration as per the provisions of Section II, Table A of Schedule V of the Companies Act, 2013 approved by 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*		600000			
	Overall Ceiling as per the Act					

* 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	264000	840000	1104000
	(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	264000	840000	1104000

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, 2018

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

Furnace Oil:

Purchased
Unit (million)
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 01.04.17- 31.03.18	Previous Year 01.04.16- 31.03.17
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 01.04.17- 31.03.18	Previous Year 01.04.16- 31.03.17
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
1	Divya Kothari (Managing Director)*	600000	NA	2.17
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

(2) The median remuneration of employees of the Company during the financial year was Rs. 2,76,000/-

(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:

S.No	Name of Directors	Designation	Remuneration	% Increase in Remuneration
1.	Divya Kothari	Managing Director	600000	-
2.	Kamal kumar Shah	CFO	840000	16.67%
3.	Harsimran Jit Kaur	Company Secretary	264000	22.22%

(4) The number of permanent employees on the rolls of company as on 31st March, 2018 was 15.

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

Profit Before Tax increased by 31.40% and Profit After Tax increased by 48.57% in the financial year 2017-18, compared to previous financial year. The average increase of 15% in the median remuneration of the comparable employees during the financial year was largely in line with the market projections and performance of the Company. Employees received hikes considering the criticality of the roles they play, their individual performance in the Financial Year 2017-18 and skills set they possess.

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

Median remuneration of employees during the financial year 2017-18 was 276000 compared to 240000 of the previous financial year. This increase in median remuneration by 15% was mainly due to increase in the overall remuneration of existing employees.

The payment of managerial remuneration was as per the remuneration approved by the shareholders of the Company and within the limit specified under the Companies Act 2013.

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

(a) The market capitalization as on March 31, 2018 was Rs. 1055.64 Lacs .

(b) Price Earnings ratio of the Company was 20.55 as at March 31, 2018 and as on March 31, 2018 it was 19.44.

Closing date of Financial Year	Issued Capital (shares)	Closing Market Price Per Shares	EPS	PE Ratio	Mrket Capitali zation (Rs Lacs)
31.03.2017	6454080	10.5	0.54	19.44	677.68
31.03.2018	8856080	11.92	0.58	20.55	1055.64
Increase/ Decrease	+2402000	+1.42	+0.04	+1.11	+377.96
% Increase/ Decrease	37.22%	13.52%	7.41%	5.71%	55.77%

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

The total remuneration of Key Managerial Personnel (KMPs) increased from 15.36 Lakhs in the Financial Year 2016-17 to 17.04 Lakhs in the Financial Year 2017-18, an increase of 10.94%, whereas Profit Before Tax increased by 31.40% and Profit After Tax increased by 48.57% on a in the financial year 2017-18. The increase in the total remuneration of KMPs was based on the overall performance of the Company and based on the Remuneration Policy of the Company.

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

Average percentile increase in the median remuneration of comparable employees in the Financial Year 2017-18 other than the MD & CEO was 12.71% and

the salary of MD is fixed so there is no change in the percentile of MD remuneration.

The above increase in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2017-18, the individual performance of the employees, the criticality of the roles they play and skills set they possess.

(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	600000	Profit before Tax increased by 31.40% and Profit After Tax increased by 48.57% in financial year 2017-18
2.	Kamal Kumar Shah	840000	
3.	Harsimran Jit Kaur	264000	

(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: 1:2

(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, 2018:

Category	Name of the Directors	Designation	No of Shares held
Promoter	Divya Kothari	Managing Director	1886636
Non Executive Non Independent Director	Ankit Kothari	Director	612181
	Inder Singh	Director	94545
Independent Director	Bajrang Lal Kedia	Director	24545
	Vijender Singh	Director	NIL

(b) NO. OF BOARD MEETING HELD AND DATES

1	12.04.2017
2	29.05.2017
3	20.06.2017
4	31.08.2017
5	06.10.2017

6	14.11.2017
7	11.12.2017
8	28.12.2017

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	5	Yes	1	-	-
2.	INDER SINGH	NON EXECUTIVE DIRECTOR	8	Yes	NA	-	-
3.	ANKIT KOTHARI	NON EXECUTIVE DIRECTOR	3	Yes	NA	--	-
4.	VIJENDER SINGH	NON EXECUTIVE INDEPENDENT DIRECTOR	7	Yes	NA	-	-
5.	BAJRANG LAL KEDIA	NON-EXECUTIVE INDEPENDENT DIRECTOR	6	Yes	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.

Composition: Meetings and attendance during the year.

S.NO	Name of Directors	Designation	Number of Meetings During The year	
			Held	Attended
1	MR. VIJENDER SINGH	CHAIRMAN	5	5
2	MR. BAJRANG LAL KEDIA	MEMBER	5	5
3	MS. DIVYA KOTHARI	MEMBER	5	4

The dates on which the meetings were held are as follows:

1	19.05.2017
2	17.08.2017
3	04.10.2017
4	06.11.2017
5	04.12.2017

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

During the year ended on 31st March, 2018, the composition of Stakeholders relationship Committee / Investors Grievance committee has been as under:

S.NO	Name of Directors	Designation	Number of Meetings During The year	
			Held	Attended
1	MR. VIJENDER SINGH	CHAIRMAN	2	2
2	MR. BAJRANG LAL KEDIA	MEMBER	2	2
3	MR.INDER SINGH	MEMBER	2	1

During the year under review Stakeholders relationship Committee / Investors Grievance committee meeting was held one time during the year. The necessary quorum was preset in the meeting. The dates of meetings are as follow:

S.NO	Date
1	19.05.2017
2	11.10.2017

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

During the year under review Stakeholders relationship Committee / Investors Grievance committee meeting was held one time during the year. The necessary quorum was preset in the meeting. The dates of meetings are as follow:

S.NO	Date
1	18.05.2017
2	21.03.2017

During the year ended on 31st March, 2018

, the composition of Nomination and Remuneration Committee has been as under.:

S.NO	Name of Directors	Designation	Number of Meetings During The year	
			Held	Attended
1	MR. VIJENDER SINGH	CHAIRMAN	2	1
2	MR. BAJRANG LAL KEDIA	MEMBER	2	1
3	MR. INDER SINGH	MEMBER	2	2

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) INDEPENDENT DIRECTOR MEETINGS

(a) Performance evaluation criteria for independent directors.

- Evaluation of the performance of the Non – Independent Directors and Board of Directors as a whole;
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non –Executive Directors;
- Evaluation of the quality, content and timeline of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties.

(b) Composition

- Mr. Bajrang Lal Kedia
- Mr. Vijender Singh

(c) Last Independent Directors meeting was held on 31ST March, 2018

(4) GENERAL BODY MEETINGS

(a) Details of Annual General Meetings (AGMs)

YEAR	VENUE	DATE	TIME
2015	REGISTERED OFFICE	30 TH SEPTEMBER, 2015	10.30 A.M
2016	Hotel Solitaire, Chandigarh	30 th September, 2016	11.00 A.M
2017	Hotel Solitaire, Chandigarh	29 th September, 2017	11.00 A.M

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

DATE OF AGM	NUMBER OF SPECIAL RESOLUTION PASSED	DETAILS OF SPECIAL RESOLUTION PASSED
30 TH SEPTEMBER, 2015	Two	1. Conversion of the company to Public company 2. Alteration of the Articles of Association of the company pursuant to conversion into public company
30 TH SEPTEMBER, 2016	One	3. Appointment of Ms Divya Kothari as Managing Director

(5) GENERAL INFORMATION TO SHARE HOLDERS

i. ANNUAL GENERAL MEETING:

Date	Time	Venue
September 29, 2018	11.30 A.M	Hotel Solitaire , SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh, 160101

ii. FINANCIAL CALANDER

Financial Year	April 1, 2017 to March 31, 2018
Book Closure	The Register of Members of the Company shall remain closed from the Saturday 23 September, 2018 to Friday, September 29, 2018 (both days inclusive).

iii DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on March 31, 2018, 94.88% of the Company's shares were held in dematerialized form and the remaining 5.12% in physical form. The break up is listed below:

Category	No Of Shares Held	Shareholding(%)
PHYSICAL	453088	5.12%
ELECTRONIC IN NSDL	2287687	25.83%
ELECTRONIC IN CDSL	6115305	69.05%
	8856080	100%

iv CATEGORIES OF SHAREHOLDING:

Categories	No of shares held	Percentage of shareholding
PROMOTER	1886636	21.30%
MARKET MAKER	-	-
BODY CORPORATE	1925000	21.74%
PUBLIC HOLDING	4801355	54.21%
HUF	243089	2.744%
TOTAL	8856080	100%

V STOCK CODE AND ROC CODE

BSE CODE: 539800

ISIN No.: INE043U01010

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

Having Corporate Identity Number (CIN) is: L24232CH2012PLC034188

vi REGISTRAR AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED

SUBRAMANIAN BUILDING, NO.1
CLUB HOUSE ROAD
TAMIL NADU, CHENNAI
PHONE: 044 -28460390
E-MAIL: cameo@cameoindia.com

vii REGISTERED OFFICE

Plot No 45, 1ST FLOOR, INDUSTRIAL AREA
PHASE I, CHANDIGARH
PHONE: 0172-5086877
Website: www.chdchemicalsltd.com
CIN No.: L24232CH2012PLC034188

viii CORPORATE ADDRESS

PLOT NO 331, INDUSTRIAL AREA
PHASE II, PANCHKULA-134113

IX 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

X. MARKET PRICE DATA

The data on price of equity shares of the Company are as under: High, Low during each month in last financial year

Month	High	Low	No of shares
April 17	14.45	10.85	80000
May 17	13.18	12.5	40000
June 17	-	-	-
July 17	11.6	10.9	20000
Aug 17	10.15	10.15	10000
Sep 17	9.4	8.8	20000
Oct 17	10.4	8.90	50000
Nov 17	9.5	9.5	10000
Dec 17	-	-	-
Jan 18	11.92	9.53	90000
Feb 18	-	-	-
Mar 18	-	-	-

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 2018.

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

SD/-

**Place: PANCHKULA
Dated: 31st August, 2018.**

**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

Chemical industry in India is the third largest producer in Asia and sixth largest in the world.

The Indian chemical industry is expected to surge to USD 226 billion by 2020, up by nearly 35 percent from USD 147 billion in 2015.

Indian chemical industry is expected to double its share in global chemical industry to 5-6% by 2021 registering growth of 8-9% in the next decade.

High GDP Share

The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP

Global Dye Supplier

India accounts for approximately 11 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 proper and adequate systems of internal controls. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place.

Human Resources

The number of employees in the Company as on the 31st March, 2017 was 15. The Company enjoys cordial and harmonious industrial relations. Training programs and various initiatives are being taken to create an environment to enhance individual and team performance.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The turnover and other income of the Company during the year is Rs. 350,725,388.70 /- as against Rs. 433,034,004.43 /- in the previous year. The profit from operations before depreciation and tax is Rs. 91,23,849/- as against 68,52,234.63/- in the previous year. The net profit after depreciation, taxation is Rs. 51,55,548.55 /- as against Rs. 34,65,703.11 in the previous year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHD CHEMICALS LIMITED

We have audited the accompanying financial statements of Chd Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

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.

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 2017, its profit/loss and its cash flows for the year ended on that date.

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 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 R K DEEPAK & CO.
CHARTERED ACCOUNTANTS

Sd/-

ASIM JAIN
M.No. 089331
FRN 003145N

Date: 30.05.2018
Place: PANCHKULA

"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, 2018:

- 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, 2017 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 moneys by way of conversion of share warrants. During the Current FY 2017-18, out of the outstanding 3655000 warrants as on 31.03.2017, the company issued 2402000/- share upon conversion of warrant and 1253000 warrants are outstanding as on 31.03.2018. The company received Rs 18015000/- on allotment of above said 2402000 shares (i.e 75% of total amount) & 25% amount was received in previous year 2016-17 at the time of allotment of Warrants
- 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 4 (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 R K DEEPAK & CO.
CHARTERED ACCOUNTANTS

Sd/-

ASIM JAIN
M.No. 089331
FRN 003145N

Date: 30.05.2018
Place: PANCHKULA

"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, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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.

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 judgement, 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.

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 authorizations 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.

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.

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 2018, 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 R K DEEPAK & CO.
CHARTERED ACCOUNTANTS

Sd/-

ASIM JAIN
M.No. 089331
FRN 003145N

Date: 30.05.2018
Place: PANCHKULA

BALANCE SHEET FOR THE YEAR ENDED 31.03.2018

AMOUNT IN RUPEES

S.NO.	PARTICULARS	NOTE	As at 31 .March,2018	As at 31,March,2017
I.	EQUITY AND LIABILITIES			
1)	SHAREHOLDERS' FUNDS			
	A) Share Capital	2.1.1	8,85,60,800.00	6,45,40,800.00
	B) Reserves and surplus	2.1.2	1,60,86,251.50	1,18,53,734.45
	C) Money Received against Share Warrants	2.1.3	31,32,500.00	91,37,500.00
	Sub-Total		10,77,79,551.50	8,55,32,034.45
2)	SHARE APPLICATION MONEY PENDING ALLOTMENT	2.2	0.00	0.00
3)	NON CURRENT LIABILITIES			
	A) Long Term Borrowings	2.3.1	58,89,974.83	14,60,457.00
	B) Deferred tax Liabilities	2.3.2	1,75,054.00	1,22,586.00
	C) Other Long Term Liabilities	2.3.3	1,51,78,807.00	0.00
	D) Long Term Provisions	2.3.4	0.00	0.00
	Sub-Total		2,12,43,835.83	15,83,043.00
4)	CURRENT LIABILITIES			
	A) Short term borrowings	2.4.1	22,07,837.92	2,44,55,294.50
	B) Trade payables	2.4.2	9,10,48,425.73	11,38,59,990.39
	C) Other Current Liabilities	2.4.3	59,93,484.18	40,01,786.42
	D) Short term provisions	2.4.4	17,24,769.00	16,33,442.00
	Sub-Total		10,09,74,516.83	14,39,50,513.31
	Grand Total		22,99,97,904.16	23,10,65,590.76
II.	ASSETS			
1)	NON CURRENT ASSETS			
	A) FIXED ASSETS :	2.5.1		
	i) Tangible assets		1,42,11,282.00	48,73,474.79
	ii) Intangible assets		0.00	0.00
	Sub-Total		1,42,11,282.00	48,73,474.79
	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	17,80,598.00	18,46,900.00
	E) Other non-current assets	2.5.5	16,49,754.00	24,05,052.00
	Sub-Total		34,30,352.00	42,51,952.00

2)	CURRENT ASSETS			
	A) Current investment	2.6.1	0.00	0.00
	B) Inventories	2.6.2	1,63,17,868.00	3,20,05,468.00
	C) Trade receivables	2.6.3	17,75,94,712.57	18,14,66,797.21
	D) Cash and cash equivalents	2.6.4	1,24,77,108.56	52,60,275.59
	E) Short-term loans and advances	2.6.5	9,46,551.20	9,27,600.00
	F) Other currents assets	2.6.6	50,20,029.83	22,80,023.17
	Sub-Total		21,23,56,270.16	22,19,40,163.97
	Grand Total		22,99,97,904.16	23,10,65,590.76

Audited in terms of our report of even date.

FOR R.K.DEEPAK & CO.
CHARTERED ACCOUNTANTS

Sd/-
ASIM JAIN
M. NO. 089331
FRN :003145N

	Sd/-	Sd/-	Sd/-	Sd/-
DATE :30.05.2018	Divya Kothari	Inder Singh	Kamal Kumar Shah	Harsimran Jit Kaur
PLACE : PANCHKULA	(Director)	(Director)	(CFO)	(Company Secretary)
	(Din:03592047)	(Din: 06486481)		

PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31.03.2018

S.NO.	PARTICULARS	NOTE	As at 31 .March,2018	As at 31,March,2017
I)	INCOMES :			
	A) Revenue from operations	2.8.1	35,07,25,388.70	43,30,34,004.43
	B) Other Income	2.8.2	74,32,271.00	4,30,007.00
	Total Revenue		35,81,57,659.70	43,34,64,011.43
II)	EXPENDITURES :			
	A) Cost of Purchases	2.9.1	30,40,31,371.63	41,06,20,892.68
	B Change in inventories of finished goods,work in progress and stock in trade	2.9.2	1,56,87,600.00	-60,23,503.00
	C) Employees benefit expenses	2.9.3	68,74,846.00	68,68,937.00
	D) Finance cost	2.9.4	35,25,583.89	36,97,672.24
	E) Depreciation and amortization expenses	2.9.5	21,82,715.00	15,73,822.52
	F) Other expenses	2.9.6	1,89,28,552.84	1,14,69,310.76
	Total expenses		35,12,30,669.36	42,82,07,132.20
III)	Profit before exceptional and extraordinary items and tax (I-II)		69,26,990.34	52,56,879.23
IV)	Exceptional items	2.10	14,143.21	21,532.88
V)	Profit before extraordinary items and tax (III-IV)		69,41,133.55	52,78,412.11
VI)	Extraordinary items		0.00	0.00
VII)	PROFIT BEFORE TAX (V-VI)		69,41,133.55	52,78,412.11
VIII)	Tax Expenses			
	A) Current Tax			
	- Income Tax		17,24,769.00	16,33,442.00
	- Less : Earlier year taxes		8,348.00	56,681.00
	B) Deferred Tax		52,468.00	1,22,586.00
IX)	Profit (Loss) for the period from continuing operations(VII-VIII)		51,55,548.55	34,65,703.11

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)		51,55,548.55	34,65,703.11
XIV)	Earnings per Equity Share:			
	A) Basic		0.58	0.54

Audited in terms of our report of even date.

**FOR R.K.DEEPAK & CO.
CHARTERED ACCOUNTANTS**

**ASIM JAIN
M. NO. 089331
FRN :003145N**

	Sd/-	Sd/-	Sd/-	Sd/-
DATE :30.05.2018	Divya Kothari	Inder Singh	Kamal Kumar Shah	Harsimran Jit Kaur
PLACE : PANCHKULA	(Director)	(Director)	(CFO)	(Company Secretary)
	(Din:03592047)	(Din: 06486481)		

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2018

Particulars	31.03.2018	31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxes	6941134	5278412
Adjustment for:		
Add: Depreciation & Amortisation	2182715	1573823
Add: Interest & Finance Charges	3525584	3697672
Operating Profit before Working capital changes	12649432	10549907
Adjustments for:		
Decrease (Increase) in Trade & Other Receivables	3872085	-2111871
Decrease (Increase) in Short Term Loans & Advances	-18951	-2600
Decrease (Increase) in Inventories	15687600	-6023503
Decrease (Increase) in Other Current Assets	-2740007	-363701
Increase (Decrease) in Trade Payables	-22811565	-33266569
Increase (Decrease) in Other Current Liabilities & Provisions	1991698	-14123177
Net Changes in Working Capital	-4019140	-55891420
Cash Generated from Operations	8630292	-45341513
Taxes	1641790	1134407
Net Cash Flow from Operating Activities (A)	6988502	-46475920
CASH FLOW FROM INVESTING ACTIVITIES		
Sale /(Purchase) of Fixed Assets	-10698922	-2465361
Decrease (Increase) in Investments	-	-
Decrease (Increase) in Other Non Current Assets	0	-1235500
Net Cash Flow from Investing Activities (B)	-10698922	-3700861
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital and Proceeds / (Refund) from Share Application Money	18015000	21587500
Interest & Finance Charges	-3525584	-3697672
Increase / (Repayment) of Long Term Borrowings	4429518	1460457
Increase / (Repayment) of Short Term Borrowings	-22247457	3640507
Decrease (Increase) in Long Term Loans & Advances	15178807	-93000
Decrease (Increase) in Long Term Liabilities	0	0
Dividend Payments including DDT	-923032	
Net Cash Flow from Financing Activities (C)	10927253	22897792
Net Increase / (Decrease) in Cash & Cash Equivalents	7216834	-27278989
Cash and cash equivalents at the beginning of the year / Period	5260275	32539264
Cash and cash equivalents at the end of the year/ Period	12477109	5260275

CHD CHEMICALS LTD.
2. NOTES ON ACCOUNT OF THE YEAR ENDED 31 March, 2018

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	As at 31 .March,2018	As at 31 March,2017
A) Authorized:		
11000000 Equity Shares of Rs. 10/- each	11,00,00,000.00	11,00,00,000.00
TOTAL	11,00,00,000.00	11,00,00,000.00
B) Issued, Subscribed and Paid-Up:		
8856080 Equity Shares of Rs. 10/- each*	8,85,60,800.00	6,45,40,800.00
TOTAL	8,85,60,800.00	6,45,40,800.00

* The Company has only one class of equity shares, fully paid, having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. During the Current year 2017-18 the company has issued 2402000 equity shares of face value of Rs 10/- at par by conversion of 2402000 warrants.

2.1.1.1 Reconciliation of number of share outstanding :

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Equity Shares		
Number of shares at the beginning	64,54,080.00	52,09,080.00
Add : Share issued during the year	24,02,000.00	12,45,000.00
NUMBER OF Share at the end	88,56,080.00	64,54,080.00
NUMBER OF Share at the end	88,56,080.00	64,54,080.00

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

Particulars	As at 31 March,2017	% Holding in the SHARES	As at 31 .March,2018	% Holding in the SHARES
A) Equity Shares of Rs 10 each fully paid up				
Ms. Divya Kothari	15,36,636.00	27.58	18,86,636.00	21.30
Mr. Ankit Kothari	5,57,181.00	10.12	6,12,181.00	6.91
M/S Ankit Trade & Investments Pvt Ltd.	3,15,000.00	4.88	8,65,000.00	9.77
M/s Kothari Trade Investment P Ltd	5,90,000.00	2.11	10,60,000.00	11.97

2.1.2 RESERVE AND SURPLUS

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Profit & Loss Account *		
Opening Balance	91,44,654.45	56,78,951.34
Add: Net profit after tax transferred from Statement of Profit and Loss	51,55,548.55	34,65,703.11
Total	1,43,00,203.00	91,44,654.45
Less : Dividend INCLUDING DDT	9,23,031.50	
	1,33,77,171.50	
B) Share Premium	27,09,080.00	27,09,080.00
Total Reserve & surplus	1,60,86,251.50	1,18,53,734.45

2.1.3 AMOUNT RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Share Warrants Issued	31,32,500.00	91,37,500.00
TOTAL	31,32,500.00	91,37,500.00

2.2 Share Application Money Pending Allotment

Particulars	As at 31 .March,2018	As at 31 March,2017
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	As at 31 .March,2018	As at 31 .March,2018	As at 31 March,2017	As at 31 March,2017
	NON CURRENT	CURRENT	NON CURRENT	CURRENT
I) Secured				
A) Term Loans from Banks				
i) ICICI FORTUNER CAR LOAN	8,18,408.00	6,42,049.00	14,60,457.00	5,84,944.00
ii) AXIS BANK CANTER TRUCK LOAN	6,31,513.00	2,43,849.00		
iii) MAHENDRA & MAHENDRA FINANCE SERVICES LTD	2,02,202.88	1,78,145.27		
iv) Daimler Financial Services India Pvt Ltd	42,37,850.95	9,48,236.42		
II) Un secured				
A) Term Loans from NBFC				
i) Others	0.00	0.00	0.00	0.00
TOTAL	58,89,974.83	20,12,279.69	14,60,457.00	5,84,944.00

2.3.2 DEFERRED TAXES LIABILITIES

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Deferred tax Liability *	1,75,054.00	1,22,586.00
TOTAL	1,75,054.00	1,22,586.00

2.3.3 Other Long Term Liabilities

Particulars	As at 31 .March,2018	As at 31 March,2017
UNSECURED LOAN :		
other	1,51,78,807.00	
A) From Director	0.00	0.00
TOTAL	1,51,78,807.00	0.00

2.3.4 Long Term Provisions

Particulars	As at 31 .March,2018	As at 31 March,2017
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,2018	As at 31 March,2017
I) Secured *		
A) Working Capital Loans : Banks (Rupees Loan)		
i) Axis Bank Ltd OCC	22,07,837.92	2,44,55,294.50
TOTAL	22,07,837.92	2,44,55,294.50

* 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,2018	As at 31 March,2017
I) Sundry Creditors : (Unsecured)		
A) total outstanding due of Micro Enterprises and Small enterprises		
B) total outstanding due of creditors other than Micro Enterprises and Small enterprises		
i) Payables outstanding	91,048,425.73	147,126,558.91
TOTAL	91,048,425.73	113,859,990.39

2.4.3 Other Current Liabilities

Particulars	As at 31 March,2018	As at 31 March,2017
A) Current Maturities Of Term Loan	20,12,279.69	584,944.00
B) Statutory Liabilities	9,38,560.49	194,786.42
C) Cheque Issued but not presented	4,052.00	1,469,766.00
D) Other Liabilities	30,38,592.00	1,752,290.00
TOTAL	59,93,484.18	4,001,786.42

2.4.4 SHORT-TERM PROVISIONS

Particulars	As at 31 March,2017	As at 31 March,2017
A) Provision for employee Benefits	0.00	0.00
B) Others	17,24,469.00	1,633,442.00
TOTAL	17,24,469.00	1,633,442.00

2.5 NON CURRENT ASSETS

2.5.1 FIXED ASSETS

Particulars	As at 31 March,2017	As at 31 March,2017
I) TANGIBLE ASSETS		
A) Gross Block	6,813,501.00	4,621,348.00
Add : During The Year	10,841,080.00	3,153,051.00
Less : Sale	1,25,000.00	960,898.00
Net Gross Block	17,529,581.00	6,813,501.00
Less : Accumulated Depreciation	3,318,299.00	1,940,026.21
Sub-Total	14,211,282.00	4,873,474.79
II) INTANGIBLE ASSETS	0.00	0.00
TOTAL	14,211,282.00	4,873,474.79

2.5.2 NON CURRENT INVESTMENTS

Particulars	As at 31 .March,2018	As at 31 March,2017
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,2018	As at 31 March,2017
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,2018	As at 31 March,2017
A) Security Deposits*	17,80,598.00	18,46,900.00
TOTAL	17,80,598.00	18,46,900.00

2.5.5 OTHER NON-CURRENT ASSETS

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Others :		
i) Deferred Revenue Expenses upto the extent not written off	0.00	0.00
Opening Balance	24,05,052.00	19,24,850.00
Incurred during the year	0.00	12,35,500.00
Written off during the year	7,55,298.00	7,55,298.00
Balance carried over	16,49,754.00	24,05,052.00
TOTAL	16,49,754.00	24,05,052.00

2.6 CURRENT ASSETS**2.6.1 CURRENT INVESTMENTS**

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Others :	0.00	0.00
TOTAL	0.00	0.00

2.6.2 Inventories*

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Stocks of Finished goods	1,63,17,868.00	3,20,05,468.00
TOTAL	1,63,17,868.00	3,20,05,468.00

* 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,2018	As at 31 March,2017
A) Sundry Debtors		
i) Over Six Months	1,82,22,152.10	1,66,07,991.90
ii) Others	15,93,72,560.47	16,48,58,805.31
Sub-Total	17,75,94,712.57	18,14,66,797.21
Less: Provision for doubtful debts	-	-
TOTAL	17,75,94,712.57	18,14,66,797.21

(Unsecured, considered good unless otherwise stated)

2.6.4 CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	31 .March,2018	31 March,2017
A) Cash in hand	13,151.70	18,937.20
B) Cheque In Hand	0.00	0.00
C) Balance with Banks	80,35,922.86	8,13,304.39
D) Fixed Deposit with Banks	44,28,034.00	44,28,034.00
TOTAL	1,24,77,108.56	52,60,275.59

2.6.5 SHORT TERM LOANS AND ADVANCES

Particulars	As at	As at
	31 .March,2018	31 March,2017
A) Others - Loan, Advances	9,46,551.20	9,27,600.00
TOTAL	9,46,551.20	9,27,600.00

2.6.6 OTHER CURRENT ASSETS

Particulars	As at	As at
	31 .March,2018	31 March,2017
A) Interest Receivable	3,01,120.00	17,638.00
B) ITC GST/VAT Receivable	11,83,919.01	3,07,533.35
C) Others	35,34,990.82	19,54,851.82
(All assets which are not classified above)		
TOTAL	50,20,029.83	22,80,023.17

(Unsecured, considered good unless otherwise stated)

2.7 CONTINGENT LIABILITIES & COMMITMENTS*

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Contingent Liabilities		
i) Bank Guarantee	2,50,00,000.00	2,50,00,000.00
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	As at 31 .March,2018	As at 31 March,2017
A) Gross Sales	35,07,25,388.70	43,30,34,004.43
Net Sales		
Sub-Total	35,07,25,388.70	43,30,34,004.43
B) Other Operating Incomes	0.00	0.00
TOTAL	35,07,25,388.70	43,30,34,004.43

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Interest	4,18,981.00	4,30,007.00
B) Other Non Operating Income	0.00	0.00
C) Commission on Sale	70,13,290.00	0.00
TOTAL	74,32,271.00	4,30,007.00

2.9 EXPENDITURES**2.9.1 COST OF MATERIAL CONSUMED**

Particulars	As at 31 .March,2018	As at 31 March,2017
A) PURCHASE	30,40,31,371.63	41,06,20,892.68
TOTAL	30,40,31,371.63	41,06,20,892.68

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

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Opening Stock :		
i) Finished Goods	3,20,05,468.00	2,59,81,965.00
	3,20,05,468.00	2,59,81,965.00
B) Closing Stock :		
i) Finished Goods	1,63,17,868.00	3,20,05,468.00
	1,63,17,868.00	3,20,05,468.00
INCREASE(-)/DECREASE(+) IN STOCKS (A-B)	1,56,87,600.00	-60,23,503.00

2.9.3 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Salaries,Wages and Other Incentives	67,85,790.00	67,70,577.00
B) Welfare Expenses	89,056.00	98,360.00
C) Contribution to Provident and Other Funds.	0.00	0.00
TOTAL	68,74,846.00	68,68,937.00

2.9.4 FINANCE COSTS

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Interest on Term Loan	5,94,278.52	1,71,701.00
B) Interest on Working Capital	15,51,359.00	23,51,550.00
C) Other Interest	3,14,646.60	4,410.00
D) Bank & Other Charges	10,65,299.77	11,70,011.24
TOTAL	35,25,583.89	36,97,672.24

2.9.5 DEPRECIATION AND AMORTISATION CHARGE

Particulars	As at 31 .March,2018	As at 31 March,2017
A) Depreciation	14,27,417.00	8,18,524.52
B) Amortization - Deferred Revenue Expenses	7,55,298.00	7,55,298.00
TOTAL	21,82,715.00	15,73,822.52

2.9.6 OTHER EXPENSES

Particulars	As at 31 .March,2018	As at 31 March,2017
II) ADMINISTRATIVE AND OTHER EXPENSES :		
i) ADMINISTRATION EXPENSES	1,08,194.00	1,79,774.00
ii) CHARITY & DONATION A/C	5,100.00	5,100.00
SOFTWARE UPDATION /COMUTER EXP		
iii)/WEBSITE DEVELOPMENT	32,027.00	28,249.00
iv) CONVEYANCE EXP A/C	65,150.00	2,47,895.00
v) ELECTRICITY & WATER	74,558.00	51,134.00
vi) OFFICE REPAIR & MAINTENANCE	41,915.00	0.00
vii) MISC EXPENSES	15.05	2,495.95
viii) POSTAGE & TELEGRAM EXP	10,584.00	78,757.00
ix) PRINTING & STATIONARY A/C	1,13,217.00	1,61,002.00
x) RENT ACCOUNT	4,17,228.00	5,12,750.00
XI) TELEPHONE EXPENSES	1,69,240.26	2,10,050.00
Xii) TOUR & TRAVEL EXP	7,90,918.37	8,06,271.00
Xiii) VEHICLE RUNNING & MAINTT	11,78,497.50	5,77,652.00
Xiv) INSURANCE	1,82,355.43	48,328.00
XV) CERTIFICATION CHARGES	1,16,438.00	1,02,905.00
Xvi) LEGAL & PPROFESSIONAL EXP	9,89,608.60	3,01,976.45
XVI) ROC & OTHER FEES	1,72,456.80	47,370.00
XVIII) RATE & TAXES/DIVIDEND TAX	31,162.00	1,76,759.45
IXX) FIRE FIGHTING EXP	30,000.00	0.00
Sub-Total (II)	45,28,665.01	35,38,468.85
III) SELLING & DISTRIBUTION EXPENSES :		
i) SAMPLING EXPENSES	0.00	4,313.00
ii) SALES PROMOTION	13,52,538.51	10,57,897.48
iii) FREIGHT OUTWARD A/C	86,300.00	2,24,614.00
iv) REBATE & DISCOUNT ALLOWED	71,78,530.32	45,84,232.43
v) GODOWN RENT	6,27,119.00	6,18,210.00
vi) SALES INCENTIVE	50,77,155.00	12,99,705.00
vii) LAB EXPENSE/ TESTING CHARGES	350.00	40,520.00
viii) PACKING EXPENSES	22,915.00	72,580.00
ix) ADVERTISEMENT EXP.	19,900.00	13,770.00
X) DIWALI EXP	35,080.00	15,000.00
Sub-Total (III)	1,43,99,887.83	79,30,841.91
TOTAL (I+II+III)	1,89,28,552.84	1,14,69,310.76

2.10 EXCEPTIONAL ITEMS & PRIOR PERIOD ITEMS

Particulars	As at 31 March,2018	As at 31 March,2017
A) Prior Period Expenditure	0.00	0.00
B) Prior Period Income	0.00	0.00
C) Profit on sale of Vehicle	14,143.21	21,532.88
TOTAL	14,143.21	21,532.88

2.11.2 OTHER INFORMATION

Particulars	31 .March,2018	As at 31 March,2017
a) Directors Remuneration		
i) Ms Divya Kothari	600000.00	600000.00
	600000.00	600000.00

DATE :30.05.2018
 PLACE : PANCHKULA

Sd/-
 Divya Kothari
 (Director)
 (Din:03592047)

Sd/-
 Inder Singh
 (Director)
 (Din: 06486481)

Sd/-
 Kamal Kumar Shah
 (CFO)

Sd/-
 Harsimran Jit Kaur
 (Company Secretary)

CHD CHEMICALS PVT LTD Fixed Asset Schedule 'A' to Balance Sheet (As per Companies Act, 1956)											
	Gross Block				Rate Of Dep	Depreciation				Net Block	
Particulars	Amount As On 31st March 2017	Additions	Deletions	Amount As On 31-Mar-18		Amount As On 31st March 2017	During the year	Withdrawn during the year	Amount as on 31-Mar-18	W.D.V. as on 31-Mar-18	W.D.V. as on 31st March 2017
Computers	1,26,570	1,93,442	-	3,20,012		1,12,957	22,811	-	1,35,768	1,84,244	13,613
Furniture & Fixtures	5,461	-	-	5,461		1,806	564	-	2,370	3,091	3,655
Office Equipments	3,02,693	48,374	-	3,51,067		1,25,234	59,571	-	1,84,805	1,66,262	1,77,459
Vehicles	63,78,777	1,05,99,264	1,25,000	1,68,53,041		17,00,028	13,44,471	49,143	29,95,356	1,38,57,685	46,78,749
Total	68,13,501	1,08,41,080	1,25,000	1,75,29,581		19,40,025	14,27,417	49,143	33,18,299	1,42,11,282	48,73,476
Previous Year	4621348	3153051	960898	68,13,501		1403932	818525	282431	1940025	4873476	3217416

CHD CHEMICALS LTD

FINANCIAL YEAR 2017-18

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, GST 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 FY 2017-18, out of the outstanding 3655000 warrants as on 31.03.2017, the company issued 2402000/- share upon conversion of warrant and 1253000 warrants are outstanding as on 31.03.2018. The company received Rs 18015000/- on allotment of abovesaid 2402000 shares (i.e 75% of total amount) & 25% amount was received in previous year 2016-17 at the time of allotment of Warrants.

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

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.

l) 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. **Dividends**

The Board of directors has not recommended any dividend for the Financial year 2017-18 as funds are required for meeting working capital requirements of the company.

9. **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:-

List of Related Party:-

S. No	Name	Relation
1	Divya Kothari	Directors/ Key Managerial Personnel
2	Ankit Kothari	
3	Inder Singh	
4	Vijender Singh	
5	Bajrang Lal Kedia	
6	Kamal Kumar Shah	
7	Harsimran Jit Kaur	
8	Kitabwati Kothari	Relatives Of Key Management Personnel
9	Satyaveer Singh Kothari	
10	Suman Sihag	
11	Chanda Kedia	
12	Sumangla Shah	
13	Aditya Shah	
14	Surinder Kaur	
15	M/S A.D. Sales Corp.	Companies/Entity Owned Or Significantly Influenced By Directors/Relatives Of Directors
16	M/S Bharat Udyog	
17	M/S Ankit Trade & Investments Private Limited	

d) Related Party Transactions :-

Nature of Transactions	Amount in Lakh	
	31 st March, 2018	31 st March, 2017
Transaction during the year	Amount	
REMUNERATION		
DIVYA KOTHARI	6.00	6.00
SATYAVEER SINGH KOTHARI	12.00	12.00
SHARES ALLOTTED		
DIVYA KOTHARI	35.00	10.00
KITABWATI KOTHARI	7.00	10.00
ANKIT KOTHARI	5.5	3.00
INDER SINGH	3.5	1.5
ANKIT TRADE & INVESTMENT PRIVATE LIMITED	55	31.5
SUMAN SIHAG	-	-
CHANDA KEDIA	-	-
BAJRANG LAL KEDIA	-	-
SUMANGLA SHAH	1.5	1.00
ADITYA SHAH	-	-
SURINDER KAUR	-	-
KAMAL KUMAR SHAH	3.00	1.00
LOANS & ADVANCES REPAID		
DIVYA KOTHARI	-	-
RENT PAID		
ANKIT KOTHARI	1.6	-

10. Outstanding balances in sundry debtors & creditors are subject to confirmation from the parties.
11. Figures in brackets represent figures of previous year.

12. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR R K DEEPAK & CO.
CHARTERED ACCOUNTANTS

Sd/-

ASIM JAIN
M.No.089331
FRN 003145N

Sd/-
Divya Kothari
Director
(Din: 03592047)

Sd/-
Inder Singh
Director
(Din: 06486481)

Sd/-
Kamal Kumar Shah
CFO

Sd/-
Harsimran jit kaur
Company Secretary