

# **7<sup>th</sup> ANNUAL REPORT**

**CHD CHEMICALS LIMITED**

**2018-2019**

## Corporate Information

### BOARD OF DIRECTORS

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

### AUDITORS

MR. ASIM JAIN  
CHARTERED ACCOUNTANTS

### CHIEF FINANCIAL OFFICER:

KAMAL KUMAR SHAH

### SECRETARIAL AUDITOR

M/s. NEERAJ JINDAL & ASSOCIATES

### REGISTERED OFFICE

PLOT NO 45, 1ST FLOOR, INDUSTRIAL AREA  
PHASE I, CHANDIGARH  
PHONE: 0172-2639019  
Website: [www.chdchemicals.com](http://www.chdchemicals.com)  
CIN No.: L24232CH2012PLC034188

### CORPORATE OFFICE:

Plot No 331, Industrial Area  
Phase II, Panchkula  
Haryana

### REGISTRARS & TRANSFER AGENT

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

Book Closure: Date: 24<sup>th</sup> September, 2019 to 30th September, 2019 (both days inclusive).

**NOTICE**

NOTICE is hereby given that the 7<sup>th</sup> Annual General Meeting of the Members of **CHD CHEMICALS LIMITED** will be held on **Monday, 30<sup>th</sup> September 2019 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 31<sup>st</sup> March, 2019**

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, the Audited Statement of Profit and Loss Account for the year ended on that date, together with Reports of Auditors and Directors thereon.

**Item No 2: Appointment of Mr Inder Singh as a Director liable to retire by rotation:**

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

**SPECIAL BUSINESS:****Item No.3 To consider and approve the payment of remuneration to Ms. Divya Kothari, Managing Director of the Company for a further period till the term of her appointment( till 14.12.2020) and if thought fit, pass the following resolution as a Ordinary Resolution, with or without modification(s):**

"RESOLVED THAT pursuant to provisions of Articles of Association of the Company and Sections, 197,198, and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and pursuant to the resolution passed on 15<sup>TH</sup> December,2015 appointing Ms. Divya Kothari as Managing Director for five years and approving her remuneration for three year and subject to

approval of members in the general meeting and such other consents, approvals and permissions, if any, needed, the remuneration to be paid of Ms. Divya Kothari re- approved for the period from 15.12.2018 to 14.12.2020 at a remuneration of Rs 50000/-per month, Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Ms. Divya Kothari, the Company has no profits or the profits of the Company are inadequate, the Company will pay the above remuneration by way of salary, perquisites and allowances subject to the Provisions of Schedule V of the Companies Act, 2013 or other provisions as may be applicable.

"RESOLVED FURTHER THAT directors of the Company be and are hereby authorized jointly and/or severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

RESOLVED FURTHER that the remuneration as set above shall be for the period from 15.12.2018 to 14.12.2020 and the maximum remuneration to be paid to Ms. Divya Kothari Shall not increase Rs 84.00 Lakhs P.A. and under these limits, the board shall have the discretion to change the remuneration without going to the members for approval.

**By Order of the Board of Directors**

**For CHD CHEMICALS LIMITED.**

**SD/-**

**DIVYA KOTHARI**  
Managing Director

DIN – 03592047

Place: Panchkula  
Dated: 31<sup>st</sup> August, 2019.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013.****ITEM NO: 3**

Ms. Divya Kothari has been appointed as Managing Director on 15.12.2015 for a period of Five Years by the board of the Company. Further, the appointment and remuneration has been approved by the members in the Annual general meeting on 30<sup>th</sup> September, 2016. Remuneration has fixed for three years.

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

**I.GENERAL INFORMATION:**

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

**4) Financial Performance based on given indicators:****(i) Financials (Amount in RS. Lakhs)**

Financial Parameters	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Turnover	4443.29	4036.25	4330.34	3507.25	7630.64
Net Profit	20.98	38.40	52.78	69.41	89.10
(as computed u/s. 198)					
Net profit as per profit	20.98	38.40	52.78	69.41	89.10
And loss Account					
Tax		11.24	18.12	17.86	23.11
Profit After Tax		27.16	34.66	51.55	65.99
Amount of Equity	-	-	7.66	-	-
dividend paid					
Rate of dividend declared	-	-	0.10 per share	-	-

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

**(5) Foreign investments or collaborators, if any –. NIL****II.INFORMATION ABOUT THE APPOINTEE:****(1)Back Ground Details :**

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

The Board of Directors at their meeting held on 15th December, 2015 considered and decided to entrust on Ms. Divya Kothari with increased role and responsibility by elevating her as the Managing Director of the company. The term of her appointment as Managing Director for a period of 5 years from 15th December, 2015 up to 14th December, 2020.

Ms. Divya Kothari (DIN: 03592047), aged 29 is the promoter of the company. She looks after day to day routine operational activities of our

:

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

**(2)Date of commencement of commercial operation-**

The Company started its business back in 2013.

**(3) Details of new company:**

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

company and with her multifunctional experience; she guides company in its growth strategies. She is well versed in all aspects of Marketing, Finance and Administration. She has contributed well towards the growth of our Company and under her guidance the turnover of our Company has increased manifold.

**(2)Past remuneration:** Rs 50000 per month

**(3) Recognition or awards:** NIL

**(4) Job profile and his suitability–**

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

**(5) Remuneration proposed–**

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

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

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

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

Besides, the remuneration proposed and holding 2036636 shares of the company Ms Divya Kothari does not have any other pecuniary relationship with the Company.

Mr. Ankit Kothari, Brother of Ms. Divya Kothari is Director on the board and holder of 627181 shares in the Company

**III. Other information:**

Following are the main points relevant to inadequate profit:-

**(1) Reason of inadequate profit:-**

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

profitability of the company.

**(2) Preventive action taken by the company:-**

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

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

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

**Interest:**

None of the Directors, KMP and their relatives except Ms. Divya Kothari herself as Managing Director and Share Holder Holding 2036636 Shares , Mr. Ankit Kothari, Brother of Ms. Divya Kothari, Director on the board and holder of 627181 shares in the Company and Mrs. Kitabwati Kothari, Mother of Ms. Diva Kothari, Share Holder in the Company holding 290909 shares.

**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 2018-19 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 2018-19 is also available on the website of the Company viz [www.chdchemicals.com](http://www.chdchemicals.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. The Register of Members of the Company shall remain closed from the Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019(both days inclusive).

13. 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.

14. At the Fifth AGM held on September 29, 2017 the members approved appointment of R K Deepak & Co, Chartered Accountants (Firm Registration No. 003145N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the AGM to be held in 2022, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the twenty-fourth AGM.

15. SEBI has mandate submission of PAN by every participant in the securities market. Members holding shares in demat form are therefore, submit their PAN to their depository participant with whom they are maintain their demat accounts.

**16. VOTING THROUGH ELECTRONIC MEANS**

Pursuant to the provisions of Sections 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR), Members are provided the facility to cast their vote on resolutions set forth in the Notice, through remote e-voting facility and has engaged the services of Cameo Corporate Services Limited, the Registrar & Share Transfer Agent of the Company, as the authorized agency to provide the remote e-voting facility. Members can opt for only one mode of voting i.e., either by Postal Ballot or remote e-voting. In case Members have cast their votes through both the modes, then voting done by remote e-voting shall only be considered by the Scrutinizer, and votes cast through Postal Ballot will be treated as invalid. A member cannot exercise his/her vote by proxy on Postal Ballot. Members are requested to carefully read the "Procedure and instructions for remote e-voting" outlined hereunder:

- (i) The voting period begins Friday 27<sup>th</sup> September, 2019 (9.00A.M) and ends on 29<sup>th</sup> September, 2019 (5 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an

earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are



eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <CHD CHEMICALS LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [cs@ccichd.com](mailto:cs@ccichd.com)

(xxi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.chdchemicals.com](http://www.chdchemicals.com) and on website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited, where the shares of the Company are listed.



17. Company has received leave of absence from Mr Ankit Kothari being unable to attend the board meeting dated 31.08.2019. As Mr Ankit Kothari was not able to attend any meeting within the period of 12 months since the last meeting attended, the Board has taken a note on the vacation of the office of the Director to be effective from an immediate effect.

So Mr. Inder Singh, Director of the company will be liable to retire by rotation instead of Mr Ankit Kothari.

For CHD CHEMICALS LIMITED.

By Order of the Board of Directors

SD/-  
DIVYA KOTHARI  
MANAGING DIRECTOR  
DIN – 03592047

Place: Panchkula

Dated: 31st August, 2019.

**CHD CHEMICALS LIMITED**

**Regd. Office:** PLOT NO 45, 1<sup>ST</sup> FLOOR, INDUSTRIAL AREA, PHASE I, CHANDIGARH – 160002

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

**Tel.:** 0172-2639019; **CIN:** L24232CH2012PLC034188

**Email:** [info@ccichd.com](mailto:info@ccichd.com) **Website:** [www.chdchemicals.com](http://www.chdchemicals.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 07<sup>th</sup> Annual General Meeting of the company, to be held on Monday, the 30th day of September, 2019 at 11:30 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, 2019		
2.	Appointment of a Director in place of those retiring by rotation		
3.	To consider and approve the payment of remuneration to Ms. Divya Kothari, Managing Director of the Company for a further period till the term of her appointment( till 14.12.2020) and if thought fit, pass the following resolution as a Ordinary Resolution, with or without modification(s)		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Affix Revenue  
Stamps

**Signature of Shareholder  
across Revenue Stamp**

**Signature of Proxy holder**

**Signature of the shareholder**

**Note:**

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

**CHD CHEMICALS LIMITED**

**Regd. Office:** PLOT NO 45, 1<sup>ST</sup> FLOOR, INDUSTRIAL AREA, PHASE I, CHANDIGARH – 160002

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

**Tel.:** 0172-2639019; **CIN:** L24232CH2012PLC034188

**Email:** [info@ccichd.com](mailto:info@ccichd.com) **Website:** [www.chdchemicals.com](http://www.chdchemicals.com)

**ATTENDANCE SLIP**

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

**7<sup>th</sup> Annual General Meeting on Monday, the 30th day of September, 2019 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 7<sup>th</sup> Annual General Meeting on Monday, the 30th day of September, 2019 at 11:30 a.m. at Hotel Solitaire SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh.**

(Member's /Proxy's Signature)

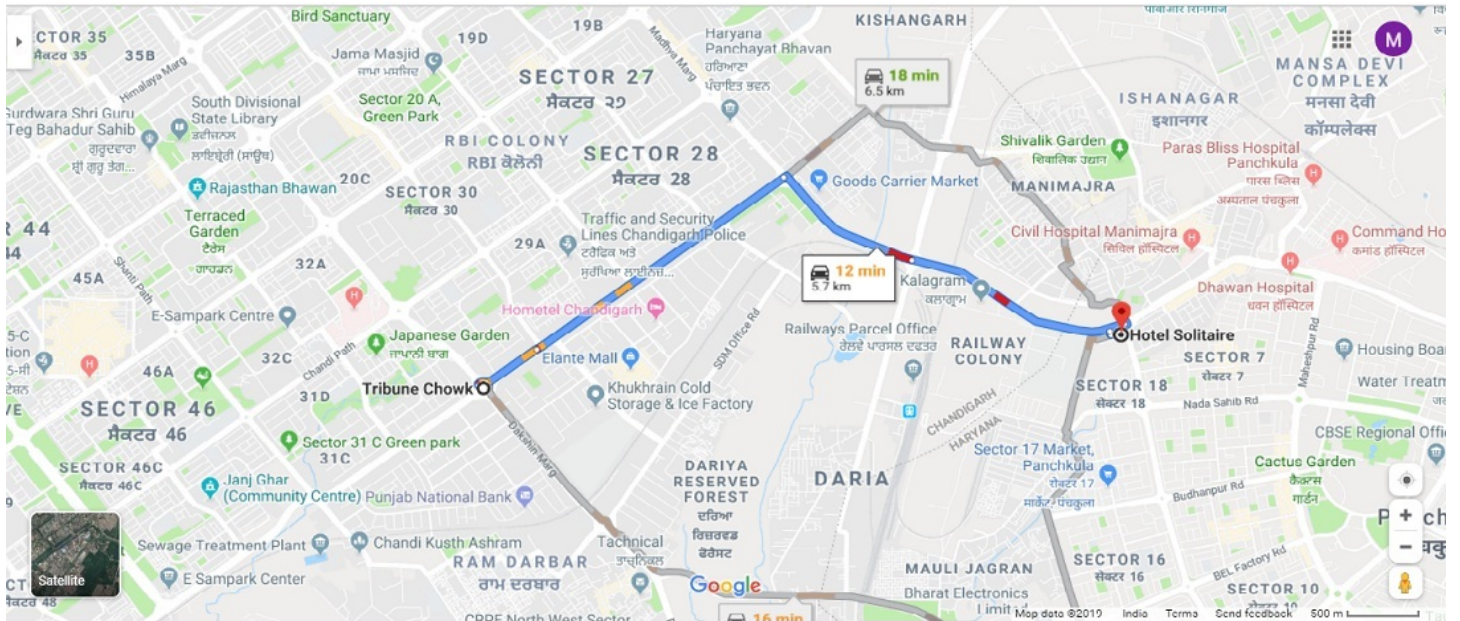
**Note:**

- 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.

<b>REMOTE EVOTING PARTICULARS</b>
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R-EVEN (REMOTE EVOTING EVENT NUMBER)	USER ID	PASSWORD

**Note :** Please read instructions given at Note No. 16 of the Notice of the 7<sup>TH</sup> Annual General Meeting of the Company before casting your vote through remote e-voting.



**DIRECTORS' REPORT**

Dear Members,

Your Directors take great pleasure in presenting the 7<sup>th</sup> 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 31<sup>st</sup> March 2019.

**1. FINANCIAL SUMMARY**

The Company's financial performance, for the year ended March 31, 2019 is summarized below:

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

Amount in Lacs.

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
Revenue from Operation	7630.64	3507.25
Other Income	4.38	74.32
Depreciation & Amortization	29.26	21.83
Profit before tax	89.10	69.41
Provision for Tax/ (Deferred tax)	23.11	17.85
Net Profit After Tax	65.99	51.55

**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. 7635.02 Lacs in comparison to Last year's revenue i.e. Rs. 3507.25 Lacs
- The Profit in the Current year is Rs. 65.99 Lacs which is higher than Rs. 51.55 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**

No material changes have occurred between Balance Sheet date and the date on which the financial statement are approved 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 2018-19,

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 23<sup>rd</sup> March, 2017, warrant holders applied for the conversion of some warrants during the year. Subsequently company made allotment of 12,53,000 equity shares upon the conversion of warrants on 21<sup>st</sup> April, 2018

The paid up share capital of the company increased from Rs 8,85,60,800 to Rs 1,01,09,080 during the year.

Company has received the trading approval from the BSE for the above mentioned equity shares on July 23, 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 9 times during the financial year. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Details of the board meeting are provided in the "Annexure V" report on corporate Governance and the same forms part of this report.

## 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, 2019, 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, 2019 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**

At the Fifth AGM held on September 29, 2017 the Members approved appointment of R K Deepak & Co, Chartered Accountants (Firm Registration No. 003145N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the AGM to be held in 2022, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

## **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.

Secretarial Auditor in his Secretarial made the following qualifications

a) Since 2017-18 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 2017-18 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.

Company was not able to file the form as the required documents was not received by the company from the bank and 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, 2019 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**

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

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 2018-19.

## **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 31<sup>st</sup> March, 2019.

## **34. SHARES IN SUSPENSE ACCOUNT**

There are no shares lying in suspense account

## **35. REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed there under.

## **36. STATEMENT OF DEVIATION OR VARIATION**

Pursuant to Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, there is no deviation or variation in the use of proceeds

## **37. 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.

**For and on behalf of Board of Directors**

SD/-

**Divya Kothari**  
Managing Director  
DIN – 03592047

SD/-

**Inder Singh**  
Director  
DIN -06486481

**Place: Panchkula**

**Dated: 31<sup>st</sup> August, 2019**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2019**

*[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, 2019, 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, 2019, 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) Since 2017-18 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 2017-18 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: 31.08.2019  
Place: Chandigarh.**

**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: 31.08.2019  
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;"><b>NOT REQUIRED AS THERE ARE NO TRANSACTIONS FALLING UNDER THIS SECTION</b></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	<b>SATVEER KOTHARI</b> <b>FATHER OF MANAGING DIRECTOR</b>
b)	Nature of contracts/arrangements/transaction	<b>SALARY</b>
c)	Duration of the contracts/arrangements/transaction	<b>FIVE YEAR W.E.F 01.08.2014</b>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<b>EMPLOYMENT AGREEMENT FOR FIVE YEAR.</b>
e)	Date of approval by the Board	<b>10.07.2014</b>
f)	Amount paid as advances, if any	<b>NIL</b>



SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>ANKIT KOTHARI</b> <b>BROTHER OF MANAGING DIRECTOR</b>
b)	Nature of contracts/arrangements/transaction	<b>GUEST HOUSE AGREEMENT</b>
c)	Duration of the contracts/arrangements/transaction	<b>11 MONTHS W.E.F 01.06.2018</b>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<b>GUEST HOUSE TAKEN ON RENT FROM MR ANKIT KOTHARI</b>
e)	Date of approval by the Board	<b>30.05.2018</b>
f)	Amount paid as advances, if any	<b>NIL</b>

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>PAN ORGANICS INDUSTRIES</b> <b>PROPRIETOR MRS KITABWATI KOTHARI</b> <b>(MOTHER OF PROMOTER)</b>
b)	Nature of contracts/arrangements/transaction	<b>RENT AGREEMENT</b>
c)	Duration of the contracts/arrangements/transaction	<b>11 MONTHS W.E.F 01.06.2018</b>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<b>GUEST HOUSE TAKEN ON RENT FROM MR ANKIT KOTHARI</b>
e)	Date of approval by the Board	<b>30.05.2018</b>
f)	Amount paid as advances, if any	<b>NIL</b>

**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, 2019

[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:- 0172-2639019
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	1886636	0	1886636	21.30%	2036636	0	2036636	20.14%	-1.16%
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)	1886636	0	1886636	21.30%	2036636	0	2036636	20.14%	-1.16%
(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)	1886636	0	1886636	21.30%	2036636	0	2036636	20.14%	-1.16%
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others specify MARKET MAKER	0	0	0	0.00	10000	0	10000	0.09%	+0.09%
SUB - TOTAL (B) (1)	0	0	0	0.00	10000	0	10000	0.09%	+0.09%
<b>2. Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	1925000	0	1925000	21.73	2600000	0	2600000	25.72%	+3.99%
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	600000	0	600000	6.77	440000	-	440000	4.25	-2.52%
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3951356	249999	4201355	47.44%	4720764	167181	4887945	46.49	+0.95%
<b>c) Others specify</b>									
HUF	40000	203089	243089	2.74%	40000	94499	134499	1.33%	+1.41%
SUB - TOTAL (B) (2)	6516356	453088	6969444	78.69%	7800764	261680	8062444	77.80%	-0.89%
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	6516356	453088	6969444	78.69%	7810764	261680	8072444	77.89	-0.8%
C. SHARES HELD BY CUSTODIAN FOR GDRS& ADRS	0	0	0	0.00	0	0	0	0	0
GRANDTOTAL (A+B+C) 1	8402992	453088	8856080	100.00	9847400	261680	10109080	100%	NA

### ATTACHMENT D

#### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			
		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	1886636	21.30%	0	2036636	20.15%		-1.15%
	<b>Total</b>	<b>1536636</b>	<b>21.30%</b>	<b>0</b>	<b>2036636</b>	<b>20.15%</b>		<b>-1.15%</b>

### ATTACHMENT E

#### (iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year (As on 01-04-2018)/ at the end of the year 31.03.2019					Cumulative Shareholding at the beginning of the year (As on 01-04-2018)/ at the end of the year 31.03.2019	
		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	1886636	21.30%	21.04.2018	150000	Allotment	2036636	20.15%
		2036636	20.15%	31.03.2019			2036636	20.15%

**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 01.04.2018/ at the end of the year 31.03.2019		Shareholding during the year (01-04-18 to 31-03-19)			Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares	% of total Shares of the company	Date	Increase/ Decrease In Shareholding	Reason	No. of Shares	% of total Shares of the compa
1.	NARESH PAWARIYA	296681	3.35%	21.04.2018	20000	Allotment	316681	3.13%
		316681	3.13%	31.03.2019				
2.	JAGDISH PRASAD ARYA	250000	2.82%	21.04.2018	30000	Allotment	280000	2.77%
		280000	2.77%	31.03.2019			280000	2.77%
3.	KAPIL KUMAR KOTHARI	134227	1.52%	01.04.2019	-	-	134227	1.52%
		134227	1.33%	31.03.2019			134227	1.33%
4.	REENA SHARMA	162500	1.83%	07.12.2018	90000	TRANSFER FROM MR RANJIT	252500	
				28.12.2018	-10000	SELL IN MARKET	242500	
				15.01.2019	40000	BOUGHT FROM MARKET	282500	
				17.01.2019	20000	BOUGHT FROM MARKET	302500	
				25.01.2019	-20000	TRANSFER TO INVESTERIA FINANCIAL SERVICES LIMITED	282500	
				04.02.2019	-10000	BOUGHT FROM MARKET	272500	
				05.02.2019	-10000	BOUGHT FROM MARKET	262500	
		262500	2.60%	31.03.2019			262500	2.60%

5.	AJAY BANSAL	190000	2.15%	21.04.2018	20000	Allotment	210000	
				26.02.2019	10000	BOUGHT FROM MARKET	220000	
				06.03.2019	-10000	SELL IN MARKET	210000	
				18.03.2019	-10000	SELL IN MARKET	200000	
		200000	1.98%	31.03.2019			200000	1.98%
6.	KOTHARI TRADE INVESTMENTS PVT LTD.	1060000	11.97%	21.04.2018	230000	Allotment	1290000	12.76%
		1290000	12.76%	31.03.2019	-	-	1290000	12.76%
7.	ANKIT TRADE & INVESTMENT PRIVATE LIMITED	865000	9.77%	21.04.2018	335000	Allotment	1200000	11.87%
		1200000	11.87%	31.03.2019			1200000	11.87%
8.	KITABWATI KOTHARI	260909	2.95%	21.04.2018	30000	Allotment	290909	2.88%
		290909	2.88%	31.03.2019			290909	2.88%
9.	DHARMENDRA CHOUDHARY	115000	1.30%	21.04.2018	35000	Allotment	150000	1.48%
		150000	1.48%	31.03.2019			150000	1.48%
10.	KULDEEP	147727	1.67%	21.04.2018	35000	Allotment	182727	1.81%
		182727	1.81%	31.03.2019			182727	1.81%

*\*Allotment of 12, 53,000 equity shares has been made on 21.04.2018 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 01.04.2018/ end of the year 31.03.2019		Shareholding during the year (01-04-2018 to 31-03-2019)			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		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	1886636	21.30%	21.04.2018	150000	Allotment	2036636	20.15%
		2036636	20.15%	31.03.2019			2036636	20.15%
2.	ANKIT KOTHARI DIRECTOR	612181	6.91%	21.04.2018	15000	Allotment	627181	6.20%
		627181	6.20%	31.03.2019			627181	6.20%
3.	INDER SINGH DIRECTOR	94545	1.07%	21.04.2018	20000	Allotment	114545	1.13%
		114545	1.13%	31.03.2019			114545	1.13%
4.	KAMAL KUMAR SHAH CHIEF FINANCIAL OFFICER	75909	0.86%	21.04.2018	10000	Allotment	85909	0.85%
		85909	0.85%	31.03.2019			85909	0.85%
5.	BAJRANG LAL KEDIA INDEPENDENT DIRECTOR	24545	0.38%	01.04.2018			24545	0.38%
		24545	0.38%	31.03.2019			24545	0.38%

**ATTACHMENT H**

**V. INDEBTENDNESS**

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

	<i>Amount (INR)</i>			
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year (01.04.2018)</b>				
i) Principal Amount	10110092.44	15178807.00	0.00	2,52,88,899.44
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
<b>TOTAL (i+ii+iii)</b>	<b>10110092.44</b>	<b>15178807.00</b>	<b>0.00</b>	<b>2,52,88,899.44</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	20700364.66	0.00	0.00	20700364.66
Reduction	0.00	5378807.00	0.00	5378807.00
<b>Net Change</b>	<b>20700364.66</b>	<b>5378807.00</b>	<b>0.00</b>	<b>15321557.66</b>
<b>Indebtedness at the end of the financial year (31.03.2019)</b>				
i) Principal Amount	30810457.10	98,00,000.00	0.00	40610457.10
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
<b>TOTAL (i+ii+iii)</b>	<b>30810457.10</b>	<b>98,00,000.00</b>	<b>0.00</b>	<b>40610457.10</b>

**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
	<b>TOTAL (A)</b>	<b>600000</b>			<b>600000</b>
	<b>Ceiling as per the Act</b>	(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				
			Inder Singh	Bajrang Lal Kedia	Vijender Singh	(Amt. in Rs.) Total Amount
<b>1.</b>	<b>Independent Directors</b>					
	Fee for attending board / committee meetings		0.00	6000	10000	16000
	Commission		0.00	0.00	0.00	0.00
	Others, please specify		0.00	0.00	0.00	0.00
	<b>TOTAL (1)</b>		0.00	6000	10000	16000
<b>2.</b>	<b>Other Non-Executive Directors</b>					
	Fee for attending board / committee meetings		12000	0.00	0.00	12000
	Commission		0.00	0.00	0.00	0.00
	Others, please specify		0.00	0.00	0.00	0.00
	<b>TOTAL (2)</b>		12000	0.00	0.00	12000
	<b>TOTAL (B)=(1+2)</b>		28000			
	<b>TOTAL MANAGERIAL REMUNERATION*</b>		600000			
	<b>Overall Ceiling as per the Act</b>					

\* 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/WTB:**

Sl. No.	Particulars of Remuneration	COMPANY SECRETARY HARSIMRAN JIT KAUR	CFO KAMAL KUMAR SHAH	Amount in Rs. Total Amount
1.	<b>Gross salary</b>	<b>312000</b>	<b>900000</b>	<b>1212000</b>
	(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			
	<b>Total</b>	<b>312000</b>	<b>900000</b>	<b>1212000</b>

**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)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

**Annexure "III" to Directors' Report for the year ended 31st March, 2019****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: <b>(N.A)</b>	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 01.04.18- 31.03.19	Previous Year 01.04.17- 31.03.18
Export of Goods calculated on FOB Basis		
Interest and dividend		
Royalty		
Know-how	<b>NIL</b>	<b>NIL</b>
Professional and Consultancy fees		
Other Income		
Total earning in foreign exchange		

**Details of expenditure in foreign exchange: nil**

Particulars	Current Year 01.04.18- 31.03.19	Previous Year 01.04.17- 31.03.18
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:	<b>NIL</b>	<b>NIL</b>
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	1.32
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. 4,56,000/-

- (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	900000	18.18%
3.	Harsimran Jit Kaur	Company Secretary	312000	7.14%

- (4) The number of permanent employees on the rolls of company as on 31st March, 2019** was 15.

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

Profit Before Tax increased by 28.37% and Profit After Tax increased by 28.01% in the financial year 2018-19, compared to previous financial year. The average increase of 65.21% 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 2018-19 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 2018-19 was 456000 compared to 276000 of the previous financial year. This increase in median remuneration by 65.21% 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, 2019 was Rs. 1852.99 Lacs .

(b) Price Earnings ratio of the Company was 20.55 as at March 31, 2018 and as on March 31, 2019 it was 27.23.

Closing date of Financial Year	Issued Capital (shares)	Closing Market Price Per Shares	EPS	PE Ratio	Mrket Capitaliza tion (Rs Lacs)
31.03.2018	8856080	11.92	0.58	20.55	1055.64
31.03.2019	10109080	17.70	0.65	27.23	1852.99
Increase/ Decrease	+1253000	+5.78	+0.07	+6.68	+733.66
% Increase/ Decrease	14.15%	48.49%	12.07%	32.50%	69.50%

**(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 17.04 Lakhs in the Financial Year 2017-18 to 18.12 Lakhs in the Financial Year 2018-19, an increase of 6.34%, whereas Profit Before Tax increased by 28.37% and Profit After Tax increased by 28.01% in the financial year 2018-19. 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 increase in the salaries of employees in the Financial Year 2018-19 other than the MD & CEO was 19.24% 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 2018-19, 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 28.37% and Profit After Tax increased by 28.01% in financial year 2018-19
2.	Kamal Kumar Shah	900000	
3.	Harsimran Jit Kaur	312000	

**(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, 2019:

Category	Name of the Directors	Designation	No of Shares held
<b>Promoter</b>	Divya Kothari	Managing Director	2036636
<b>Non Executive Non Independent Director</b>	Ankit Kothari	Director	627181
	Inder Singh	Director	114545
<b>Independent Director</b>	Bajrang Lal Kedia	Director	24545
	Vijender Singh	Director	NIL

### (b) NO. OF BOARD MEETING HELD AND DATES

1	12.04.2018
2	21.04.2018
3	30.05.2018
4	31.08.2018
5	09.11.2018

6	14.11.2018
7	11.01.2019
8	22.01.2019
9	30.03.2019

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	1	Yes	NA	--	-
4.	VIJENDER SINGH	NON EXECUTIVE INDEPENDENT DIRECTOR	8	Yes	NA	-	-
5.	BAJRANG LAL KEDIA	NON-EXECUTIVE INDEPENDENT DIRECTOR	7	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	3

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

<b>1</b>	<b>02.04.2018</b>
<b>2</b>	<b>24.05.2018</b>
<b>3</b>	<b>17.08.2018</b>
<b>4</b>	<b>12.11.2018</b>
<b>5</b>	<b>10.01.2019</b>

## 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, 2019, 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	2

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	09.04.2018
2	11.07.2018



## **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.

## **NAME AND DESIGNATION OF COMPLIANCE OFFICER:**

The Board has appointed Ms. Harsimran Jit Kaur , being Company Secretary, as Compliance Officer of the Company pursuant to Listing Regulations.

## **NO. OF SHAREHOLDERS COMPLAINTS RECEIVED AND NOT RESOLVED TO THE SATISFACTION OF THE SHAREHOLDERS:**

The total number of complaints received and resolved to the satisfaction of Shareholders during the year under review were as under :

No. of complaints outstanding as on 31-03-2018 - Nil

No. of complaints received during the year under review - Nil

No. of complaints disposed off during the year under review - Nil

No. of complaints outstanding as on 31-03-2019 - Nil

The Company interacts with Cameo Corporate Services Limited, Registrar & Transfer Agent and takes effective steps/actions for resolving queries/complaints of the shareholders.

## **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:

<b>S.NO</b>	<b>Date</b>
<b>1</b>	<b>08.06.2018</b>
<b>2</b>	<b>10.01.2019</b>

During the year ended on 31st March, 2019, 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	2
2	MR. BAJRANG LAL KEDIA	MEMBER	2	2
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.

- a. Evaluation of the performance of the Non – Independent Directors and Board of Directors as a whole;
- b. Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non –Executive Directors;
- c. 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

- 1) Mr. Bajrang Lal Kedia
- 2) Mr. Vijender Singh

(c) Last Independent Directors meeting was held on 30<sup>th</sup> March, 2019

#### (4) GENERAL BODY MEETINGS

##### (a) Details of Annual General Meetings (AGMs)

YEAR	VENUE	DATE	TIME
2015	REGISTERED OFFICE	30 <sup>TH</sup> SEPTEMBER, 2015	10.30 A.M
2016	Hotel Solitaire, Chandigarh	30 <sup>th</sup> September, 2016	11.00 A.M
2017	Hotel Solitaire, Chandigarh	29 <sup>th</sup> September, 2017	11.00 A.M
2018	Hotel Solitaire, Chandigarh	29 <sup>th</sup> September, 2018	11.30 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 <sup>TH</sup> 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 <sup>TH</sup> 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 30, 2019	11.30 A.M	Hotel Solitaire , SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh, 160101

##### ii. FINANCIAL CALANDER

<b>Financial Year</b>	April 1, 2018 to March 31, 2019
<b>Book Closure</b>	The Register of Members of the Company shall remain closed from the Tuesday, 24 September, 2019 to Monday, September 30, 2019 (both days inclusive).

##### iii DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on March 31, 2019, 97.41% of the Company's shares were held in dematerialized form and the remaining 2.59 % in physical form. The break up is listed below:

Category	No Of Shares Held	Shareholding(%)
<b>PHYSICAL</b>	<b>261680</b>	<b>2.59%</b>
<b>ELECTRONIC IN NSDL</b>	<b>2601687</b>	<b>25.74%</b>
<b>ELECTRONIC IN CDSL</b>	<b>7245713</b>	<b>71.67%</b>
	<b>10109080</b>	<b>100%</b>

**iv DISTRIBUTION OF SHAREHOLDINGS**

SHARE OR DEBENTURE HOLDINGS				
Shares	Number	% of total	Shares	% of total
1 - 100	-	-	-	-
101 - 500	-	-	-	-
501 - 1000	-	-	-	-
1001 - 2000	-	-	-	-
2001 - 3000	1	0.88	2500	0.02
3001 - 4000	-	-	-	-
4001 - 5000	-	-	-	-
5001 - 10000	51	45.13	510000	5.04
10001 - And Above	61	53.98	9596580	94.93
<b>Total</b>	<b>113</b>	<b>100.00</b>	<b>10109080</b>	<b>100</b>

**v CATEGORIES OF SHAREHOLDING:**

Categories	No of shares held	Percentage of shareholding
<b>PROMOTER</b>	<b>2036636</b>	<b>20.15%</b>
<b>MARKET MAKER</b>	<b>10000</b>	<b>0.09</b>
<b>BODY CORPORATE</b>	<b>2600000</b>	<b>25.72%</b>
<b>PUBLIC HOLDING</b>	<b>5327945</b>	<b>52.70%</b>
<b>HUF</b>	<b>134499</b>	<b>1.33%</b>
<b>TOTAL</b>	<b>10109080</b>	<b>100%</b>

**Vi 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

**vii 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

**viii REGISTERED OFFICE**

Plot No 45, 1ST FLOOR, INDUSTRIAL AREA

PHASE I, CHANDIGARH

PHONE: 0172-2595331

Website: [www.chdchemicals.com](http://www.chdchemicals.com)

CIN No.: L24232CH2012PLC034188

## ix CORPORATE ADDRESS

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

## X MEANS OF COMMUNICATION

The Company's half yearly and yearly financial results were taken on record and approved by the Board of Directors after reviewed by Audit Committee and submitted to the Stock Exchange in terms of the requirements of Listing Regulations. These were uploaded on the web-site of the Company.

In pursuance of Regulation 33 (3) read with Schedule V of Listing Regulations, the Company is maintaining its website [www.chdchemicals.com](http://www.chdchemicals.com) contains basic information about the company e.g. details of its business, financial information, shareholding pattern, etc. The company also agrees to ensure that the contents of the said website are updated at any given point of time.

The Company's Annual Report is also available in down loadable form. The Company has total 110 Shareholders as on 31st March, 2019. The main channel of communication to the shareholders is through its web-site as mentioned above and Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. [www.chdchemicals.com](http://www.chdchemicals.com).

## xi. 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 18	-	-	-
May 18	9.64	9.64	10000
June 18	8.95	9	20000
July 18	-	-	-
Aug 18	8.50	7.63	30000
Sep 18	8.4	8.4	10000
Oct 18	8.72	8.4	30000
Nov 18	9.8	8.72	30000
Dec 18	12	10	50000
Jan 19	19.9	9.6	560000
Feb 19	14.8	13.6	70000
Mar 19	18.55	14.1	190000

## **XII. INSIDER TRADING**

The Company has formulated Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders including therein Code of Conduct for fair disclosures of price sensitive information of the Company, in terms of provisions of SEBI (Prohibition of Insider Trading) Regulation, 1992/2015.

The same has also been uploaded on the web-site of the Company viz. [www.chdchemicals.com](http://www.chdchemicals.com). The policy lays down guidelines and procedure to be followed and disclosures to be made while dealing with the Shares of the Company.

During the year under review, the Company has revised the following policies under Insider Trading Regulations :-

1. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI),
2. Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders

### **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 2019.

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

**SD/-**

**Place: PANCHKULA  
Dated: 31<sup>st</sup> August, 2019.**

**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 31<sup>st</sup> March, 2019 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. 763,501,960.96 /- as against Rs. 358,157,659.70 /- in the previous year. The profit from operations before depreciation and tax is Rs. 1,18,37,562.82/- as against Rs91,09,705.34 /- in the previous year. The net profit after depreciation, taxation is Rs. 65,99,975.89 /- as against Rs. 51,55,548.55 /- 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, 2019, 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 2019, 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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

ASIM JAIN  
M.No.089331  
FRN 003145N

Place: PANCHKULA  
Date: 30-05-2019

## "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, 2019:

- 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, Duty of Customs, Duty of Excise, GST, 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, 2019 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, GST, 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 2018-19, out of the outstanding 1253000 warrants as on 31.03.2018, the company issued 1253000/- share upon conversion of warrant and No warrants are outstanding as on 31.03.2019. The company received Rs 9397500/- on allotment of abovesaid 1253000 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

ASIM JAIN  
M.No.089331  
FRN 003145N

Place: PANCHKULA  
Date:30-05-2019

## **"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, 2019 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for



our audit opinion on the Company's internal financial controls system over financial reporting.

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.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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

ASIM JAIN  
M.No.089331  
FRN 003145N

Place: PANCHKULA  
Date:30-05-2019

**CHD CHEMICALS LTD.**
**BALANCE SHEET FOR YEAR ENDED ON 31.03.2019**
**Amount in Rupees**

S.NO.	PARTICULARS	NOTE	As at31 .March,2019	As at 31,March,2018
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
1)	<b>SHAREHOLDERS' FUNDS</b>			
	A) Share Capital	2.1.1	10,10,90,800.00	8,85,60,800.00
	B) Reserves and surplus	2.1.2	2,26,86,227.39	1,60,86,251.50
	C) Money Received against Share Warrants	2.1.3	0.00	31,32,500.00
	<b>Sub-Total</b>		<b>12,37,77,027.39</b>	<b>10,77,79,551.50</b>
2)	<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	2.2	0.00	0.00
3)	<b>NON CURRENT LIABILITIES</b>			
	A) Long Term Borrowings	2.3.1	36,85,223.28	58,89,974.83
	B) Deferred tax Liabilities	2.3.2	1,38,641.00	1,75,054.00
	C) Other Long Term Liabilities	2.3.3	98,00,000.00	1,51,78,807.00
	D) Long Term Provisions	2.3.4	0.00	0.00
	<b>Sub-Total</b>		<b>1,36,23,864.28</b>	<b>2,12,43,835.83</b>
4)	<b>CURRENT LIABILITIES</b>			
	A) Short term borrowings	2.4.1	2,49,20,482.27	22,07,837.92
	B) Trade payables	2.4.2	18,45,17,998.27	9,10,48,425.73
	C) Other Current Liabilities	2.4.3	1,05,43,505.03	59,93,484.18
	D) Short term provisions	2.4.4	23,47,269.05	17,24,769.00
	<b>Sub-Total</b>		<b>22,23,29,254.62</b>	<b>10,09,74,516.83</b>
	<b>Grand Total</b>		<b>35,97,30,146.29</b>	<b>22,99,97,904.16</b>
<b>II.</b>	<b>ASSETS</b>			
1)	<b>NON CURRENT ASSETS</b>			
	A) FIXED ASSETS :	2.5.1		
	i) Tangible assets		1,21,65,275.30	1,42,11,282.00
	ii) Intangible assets		0.00	0.00
	<b>Sub-Total</b>		<b>1,21,65,275.30</b>	<b>1,42,11,282.00</b>
	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	14,35,400.00	17,80,598.00
	E) Other non-current assets	2.5.5	8,94,456.00	16,49,754.00
	<b>Sub-Total</b>		<b>23,29,856.00</b>	<b>34,30,352.00</b>
2)	<b>CURRENT ASSETS</b>			
	A) Current investment	2.6.1	0.00	0.00
	B) Inventories	2.6.2	4,46,56,200.80	1,63,17,868.00
	C) Trade receivables	2.6.3	28,97,54,470.91	17,75,94,712.57
	D) Cash and cash equivalents	2.6.4	53,04,002.04	1,24,77,108.56
	E) Short-term loans and advances	2.6.5	8,52,234.02	9,46,551.20
	F) Other currents assets	2.6.6	46,68,107.22	50,20,029.83
	<b>Sub-Total</b>		<b>34,52,35,014.99</b>	<b>21,23,56,270.16</b>
	<b>Grand Total</b>		<b>35,97,30,146.29</b>	<b>22,99,97,904.16</b>



**CHD CHEMICALS LTD.**
**PROFIT & LOSS FOR YEAR ENDED ON 31.03.2019**

S.NO.	PARTICULARS	NOTE	As at 31 .March,2019	As at 31,March,2018
I)	<b>INCOMES :</b>			
	A) Revenue from operations	2.8.1	76,30,64,282.96	35,07,25,388.70
	B) Other Income	2.8.2	4,37,678.00	74,32,271.00
	<b>Total Revenue</b>		<b>76,35,01,960.96</b>	<b>35,81,57,659.70</b>
II)	<b>EXPENDITURES :</b>			
	A) Cost of Purchases	2.9.1	74,60,82,773.69	30,40,31,371.63
	B Change in inventories of finished goods,work in progress and stock in trade	2.9.2	<b>-2,83,38,332.80</b>	<b>1,56,87,600.00</b>
	C) Employees benefit expenses	2.9.3	84,79,148.00	68,74,846.00
	D) Finance cost	2.9.4	35,00,134.19	35,25,583.89
	E) Depreciation and amortization expenses	2.9.5	29,26,730.88	21,82,715.00
	F) Other expenses	2.9.6	2,19,40,675.06	1,89,28,552.84
	<b>Total expenses</b>		<b>75,45,91,129.02</b>	<b>35,12,30,669.36</b>
III)	<b>Profit before exceptional and extraordinary items and tax (I-II)</b>		<b>89,10,831.94</b>	<b>69,26,990.34</b>
IV)	Exceptional items	2.10	0.00	14,143.21
V)	Profit before extraordinary items and tax (III-IV)		<b>89,10,831.94</b>	<b>69,41,133.55</b>
VI)	Extraordinary items		0.00	0.00
VII)	<b>PROFIT BEFORE TAX (V-VI)</b>		<b>89,10,831.94</b>	<b>69,41,133.55</b>
VIII)	Tax Expenses			
	A) Current Tax			
	- Income Tax		23,47,269.05	17,24,769.00
	- Less : Earlier year taxes		0.00	8,348.00
	B) Deferred Tax		-36,413.00	52,468.00
IX)	<b>Profit (Loss) for the period from continuing operations(VII-VIII)</b>		<b>65,99,975.89</b>	<b>51,55,548.55</b>
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)	<b>Profit (Loss) for the period (IX +XII)</b>		<b>65,99,975.89</b>	<b>51,55,548.55</b>
XIV)	<b>Earnings per Equity Share:</b>			
	A) Basic		0.65	0.58

**CHD CHEMICALS LTD**
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2019**

Particulars	31.03.2019	31.03.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxes	8910832	6941134
Adjustment for:		
Add: Depreciation & Amortisation	2926731	2182715
Add: Interest & Finance Charges	3500134	3525584
Operating Profit before Working capital changes	15337697	12649432
Adjustments for:		
Decrease (Increase) in Trade & Other Receivables	-112159758	3872085
Decrease (Increase) in Short Term Loans & Advances	94317	-18951
Decrease (Increase) in Inventories	-28338333	15687600
Decrease (Increase) in Other Current Assets	351923	-2740007
Increase (Decrease) in Trade Payables	93469573	-22811565
Increase (Decrease) in Other Current Liabilities & Provisions	4550021	1991698
Net Changes in Working Capital	-42032258	-4019140
Cash Generated from Operations	-26694561	8630292
Taxes	1724769	1641790
Net Cash Flow from Operating Activities (A)	-28419330	6988502
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale /(Purchase) of Fixed Assets	-125426	-10698922
Decrease (Increase) in Investments	-	-
Decrease (Increase) in Other Non Current Assets	0	0
Net Cash Flow from Investing Activities (B)	-125426	-10698922
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital and Proceeds / (Refund) from Share Application Money	<b>9397500</b>	18015000
Interest & Finance Charges	-3500134	-3525584
Increase / (Repayment) of Long Term Borrowings	-2204752	4429518
Increase / (Repayment) of Short Term Borrowings	22712644	-22247457
Decrease (Increase) in Long Term Loans & Advances	345198	15178807
Decrease (Increase) in Long Term Liabilities	-5378807	0
Dividend Payments including DDT	0	-923032
Net Cash Flow from Financing Activities (C)	21371650	10927253
Net Increase / (Decrease) in Cash & Cash Equivalents	-7173107	7216834
Cash and cash equivalents at the beginning of the year / Period	12477109	5260275
Cash and cash equivalents at the end of the year/ Period	5304002	12477109

**CHD CHEMICALS LTD.**
**2. NOTES ON ACCOUNT OF THE YEAR ENDED 31 March, 2019**

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,2019	As at 31,March,2018
<b>A) Authorized:</b>		
11000000 Equity Shares of Rs. 10/- each	11,00,00,000.00	11,00,00,000.00
<b>TOTAL</b>	11,00,00,000.00	11,00,00,000.00
<b>B) Issued, Subscribed and Paid-Up:</b>		
10109080 Equity Shares of Rs. 10/- each*	10,10,90,800.00	8,85,60,800.00
<b>TOTAL</b>	10,10,90,800.00	8,85,60,800.00

\* 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 2018-19 the company has issued 1253000/- equity shares of face value of Rs 10/- at par by conversion of 1253000 warrants.

**2.1.1.1 Reconciliation of number of share outstanding :**

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>A) Equity Shares</b>		
Number of shares at the beginning	88,56,080.00	64,54,080.00
Add : Share issued during the year	12,53,000.00	24,02,000.00
<b>NUMBER OF Share at the end</b>	<b>1,01,09,080.00</b>	<b>88,56,080.00</b>
<b>NUMBER OF Share at the end</b>	<b>1,01,09,080.00</b>	<b>88,56,080.00</b>

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

Particulars	As at 31 March,2018	% Holding in the SHARES	As at 31. March,2019	% Holding in the SHARES
<b>A) Equity Shares of Rs 10 each fully paid up</b>				
Ms. Divya Kothari	15,36,636.00	27.58	20,36,636.00	20.15
Mr. Ankit Kothari	5,57,181.00	10.12	6,27,181.00	6.20
M/S Ankit Trade & Investments Pvt Ltd.	3,15,000.00	4.88	12,00,000.00	11.87
M/s Kothari Trade Investment P Ltd	5,90,000.00	2.11	12,90,000.00	12.76

## 2.1.2 RESERVE AND SURPLUS

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>A) Profit &amp; Loss Account *</b>		
Opening Balance	1,33,77,171.50	91,44,654.45
Add: Net profit after tax transferred from Statement of Profit and Loss	65,99,975.89	51,55,548.55
<b>Total</b>	<b>1,99,77,147.39</b>	<b>1,43,00,203.00</b>
Less : Dividend INCLUDING DDT	0.00	9,23,031.50
	<b>1,99,77,147.39</b>	<b>1,33,77,171.50</b>
<b>B) Share premium</b>	<b>27,09,080.00</b>	<b>27,09,080.00</b>
<b>Total Reserve &amp; surplus</b>	<b>2,26,86,227.39</b>	<b>1,60,86,251.50</b>

## 2.1.3 AMOUNT RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Share Warrants Issued	0.00	31,32,500.00
<b>TOTAL</b>	<b>0.00</b>	<b>31,32,500.00</b>

## 2.2 Share Application Money Pending Allotment

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Share Application Money Pending Allotment * (Non Refundable)	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## 2.3 Non Current Liabilities

### 2.3.1 Long Term Borrowings

Particulars	As at 31.March 2019	As at 31.March 2019	As at 31 .March,2018	As at 31 .March,2018
	NON CURRENT	CURRENT	NON CURRENT	CURRENT
<b>I) Secured</b>				
<b>A) Term Loans from Banks</b>				
i) ICICI FORTUNER CAR LOAN	1,13,679.00	7,04,729.00	8,18,408.00	6,42,049.00
ii)AXIS BANK CANTER TRUCK LOAN	3,65,820.00	2,65,693.00	6,31,513.00	2,43,849.00
iii)MAHENDRA & MAHENDRA FINANCE SERVICES LTD	0.00	2,02,202.88	2,02,202.88	1,78,145.27
IV) Daimler Financial Services India Pvt Ltd	32,05,724.28	10,32,126.67	42,37,850.95	948236.42
<b>II) Un secured</b>				
<b>A) Term Loans from NBFC</b>				
i) Others	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>36,85,223.28</b>	<b>22,04,751.55</b>	<b>58,89,974.83</b>	<b>20,12,279.69</b>

### 2.3.2 DEFERRED TAXES LIABILITIES

Particulars	As at 31 .March,2019	As at 31, March,2018
A) Deferred tax Liability *	1,38,641.00	1,75,054.00
<b>TOTAL</b>	<b>1,38,641.00</b>	<b>1,75,054.00</b>

### 2.3.3 Other Long Term Liabilities

Particulars	As at 31 .March,2019	As at 31, March,2018
<b>UNSECURED LOAN :</b>		
A) From Director	0.00	0.00
B) Other	98,00,000.00	1,51,78,807.00
<b>TOTAL</b>	<b>98,00,000.00</b>	<b>1,51,78,807.00</b>

### 2.3.4 Long Term Provisions

Particulars	As at 31 .March,2019	As at 31, March,2018
A) Others Long Term Provisions	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## 2.4 Current Liabilities

### 2.4.1 Short Term Borrowings

Particulars	As at 31 .March,2019	As at 31, March,2018
<b>I) Secured *</b>		
A) Working Capital Loans : Banks (Rupees Loan)		
i) Axis Bank Ltd OCC	2,49,20,482.27	22,07,837.92
<b>TOTAL</b>	<b>2,49,20,482.27</b>	<b>22,07,837.92</b>

\* 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,2019	As at 31,March,2018
<b>I) Sundry Creditors : (Unsecured)</b>		
A) Total Outstanding Dues of Micro Enterprises and Small Enterprises *	-	-
<b>B) Total Outstanding Dues of creditors Others Then Micro Enterprises &amp; Small Enterprises:</b>		
i) Payables outstanding	18,45,17,998.27	9,10,48,425.73
<b>TOTAL</b>	<b>18,45,17,998.27</b>	<b>9,10,48,425.73</b>

## 2.4.3 Other Current Liabilities

Particulars	As at 31 .March,2019	As at 31,March,2018
A) CURRENT MATURITIES OF TERM LOAN	22,04,751.55	20,12,279.69
B) Statutory Liabilities	15,69,961.48	9,38,560.49
C) Cheque Issued but not presented	35,149.00	4,052.00
D) Other Liabilities	67,33,643.00	30,38,592.00
<b>TOTAL</b>	<b>1,05,43,505.03</b>	<b>59,93,484.18</b>

## 2.4.4 SHORT-TERM PROVISIONS

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Provision for employee Benefits	0.00	0.00
B) Others	23,47,269.05	17,24,769.00
<b>TOTAL</b>	<b>23,47,269.05</b>	<b>17,24,769.00</b>

## 2.5 NON CURRENT ASSETS

### 2.5.1 FIXED ASSETS

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>I) TANGIBLE ASSETS *</b>		
A) Gross Block	1,75,29,581.00	68,13,501.00
Add : During The Yaer	1,25,426.18	1,08,41,080.00
Less : Sale	0.00	1,25,000.00
Net Gross Block	1,76,55,007.18	1,75,29,581.00
Less : Accumulated Depreciation	54,89,731.88	33,18,299.00
<b>Sub-Total</b>	<b>1,21,65,275.30</b>	<b>1,42,11,282.00</b>
<b>II) INTANGIBLE ASSETS</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>1,21,65,275.30</b>	<b>1,42,11,282.00</b>

## 2.5.2 NON CURRENT INVESTMENTS

Particulars	As at 31 .March,2019	As at 31,March,2018
Other Non-Current Investments	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## 2.5.3 DEFERRED TAX ASSETS

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Deferred tax Asset *	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## 2.5.4 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Security Deposits*	14,35,400.00	17,80,598.00
<b>TOTAL</b>	<b>14,35,400.00</b>	<b>17,80,598.00</b>

## 2.5.5 OTHER NON-CURRENT ASSETS

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>A) Others :</b>		
i) Deferred Revenue Expenses upto the extent not written off	0.00	0.00
Opening Balance	16,49,754.00	24,05,052.00
Incurred during the year	0.00	0.00
Written off during the year	7,55,298.00	7,55,298.00
Balance carried over	8,94,456.00	16,49,754.00
<b>TOTAL</b>	<b>8,94,456.00</b>	<b>16,49,754.00</b>

## 2.6 CURRENT ASSETS

### 2.6.1 CURRENT INVESTMENTS

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>A) Others :</b>	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

**2.6.2 Inventories\***

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Stocks of Finished goods	4,46,56,200.80	1,63,17,868.00
<b>TOTAL</b>	<b>4,46,56,200.80</b>	<b>1,63,17,868.00</b>

\* 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,2019	As at 31,March,2018
A) Sundry Debtors		
i) Over Six Months	3,73,37,637.03	1,82,22,152.10
ii) Others	25,24,16,833.88	15,93,72,560.47
<b>Sub-Total</b>	<b>28,97,54,470.91</b>	<b>17,75,94,712.57</b>
Less: Provision for doubtful debts	-	-
<b>TOTAL</b>	<b>28,97,54,470.91</b>	<b>17,75,94,712.57</b>

(Unsecured, considered good unless otherwise stated)

**2.6.4 CASH AND CASH EQUIVALENTS**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Cash in hand	3,02,930.70	13,151.70
B) Cheque In Hand	0.00	0.00
C) Balance with Banks	5,73,037.34	80,35,922.86
D) Fixed Deposit with Banks	44,28,034.00	44,28,034.00
<b>TOTAL</b>	<b>53,04,002.04</b>	<b>1,24,77,108.56</b>

**2.6.5 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Others - Loan, Advances	8,52,234.02	9,46,551.20
<b>TOTAL</b>	<b>8,52,234.02</b>	<b>9,46,551.20</b>



## 2.6.6 OTHER CURRENT ASSETS

Particulars	As at 31 .March,2019	As at 31, March,2018
A) Interest Receivable	6,01,430.00	3,01,120.00
B) ITC GST/VAT Receivable	15,40,018.22	11,83,919.01
C) Others (All assets which are not classified above)	25,26,659.00	35,34,990.82
<b>TOTAL</b>	<b>46,68,107.22</b>	<b>50,20,029.83</b>

(Unsecured, considered good unless otherwise stated)

## 2.7 CONTINGENT LIABILITIES & COMMITMENTS\*

Particulars	As at 31 .March,2019	As at 31, March,2018
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,2019	As at 31, March,2018
A) Gross Sales	76,30,64,282.96	35,07,25,388.70
Net Sales		
Sub-Total	76,30,64,282.96	35,07,25,388.70
B) Other Operating Incomes	0.00	0.00
<b>TOTAL</b>	<b>76,30,64,282.96</b>	<b>35,07,25,388.70</b>

## 2.8.2 OTHER INCOME

Particulars	As at 31 .March,2019	As at 31, March,2018
A) Interest	4,37,678.00	4,18,981.00
B) Other Non Operating Income	0.00	0.00
C) Commission on Sale	0.00	70,13,290.00
<b>TOTAL</b>	<b>4,37,678.00</b>	<b>74,32,271.00</b>

**2.9 EXPENDITURES**
**2.9.1 COST OF MATERIAL CONSUMED**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) PURCHASE	74,60,82,773.69	30,40,31,371.63
<b>TOTAL</b>	<b>74,60,82,773.69</b>	<b>30,40,31,371.63</b>

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

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>A) Opening Stock :</b>		
i) Finished Goods	1,63,17,868.00	3,20,05,468.00
	<b>1,63,17,868.00</b>	<b>3,20,05,468.00</b>
<b>B) Closing Stock :</b>		
i) Finished Goods	4,46,56,200.80	1,63,17,868.00
	<b>4,46,56,200.80</b>	<b>1,63,17,868.00</b>
<b>INCREASE(-)/DECREASE(+) IN STOCKS (A-B)</b>	<b>-2,83,38,332.80</b>	<b>1,56,87,600.00</b>

**2.9.3 EMPLOYEE BENEFIT EXPENSES**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Salaries,Wages and Other Incentives	83,76,474.00	67,85,790.00
B) Welfare Expenses	1,02,674.00	89,056.00
C) Contribution to Provident and Other Funds.	0.00	0.00
<b>TOTAL</b>	<b>84,79,148.00</b>	<b>68,74,846.00</b>

**2.9.4 FINANCE COSTS**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Interest on Term Loan	6,19,764.31	5,94,278.52
B) Interest on Working Capital	16,36,750.00	15,51,359.00
C) Other Interest	10,39,287.00	3,14,646.60
D) Bank & Other Charges	2,04,332.88	10,65,299.77
<b>TOTAL</b>	<b>35,00,134.19</b>	<b>35,25,583.89</b>

**2.9.5 DEPRECIATION AND AMORTISATION CHARGE**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Depreciation	21,71,432.88	14,27,417.00
B) Amortization - Deferred Revenue Expenses	7,55,298.00	7,55,298.00
<b>TOTAL</b>	<b>29,26,730.88</b>	<b>21,82,715.00</b>

**2.9.6 OTHER EXPENSES**

Particulars	As at 31 .March,2019	As at 31,March,2018
<b>II) ADMINISTRATIVE AND OTHER EXPENSES :</b>		
i) ADMINISTRATION EXPENSES	72,972.00	1,08,194.00
ii) CHARITY & DONATION A/C	7,100.00	5,100.00
iii) SOFTWARE UPDATION /COMUTER EXP /WEBSITE DEVELOPMENT	7,322.88	32,027.00
iv) CONVEYANCE EXP A/C	70,102.00	65,150.00
v) ELECTRICITY & WATER	50,622.00	74,558.00
vi) OFFICE REPAIR & MAINTENANCE	1,69,273.06	41,915.00
vii) MISC EXPENSES	35.11	15.05
viii) POSTAGE & TELEGRAM EXP	33,536.00	10,584.00
ix) PRINTING & STATIONARY A/C	1,35,046.33	1,13,217.00
x) RENT ACCOUNT	4,92,000.00	4,17,228.00
XI) TELEPHONE EXPENSES	1,77,500.46	1,69,240.26
Xii) TOUR & TRAVEL EXP	3,76,680.00	7,90,918.37
Xiii) VEHICLE RUNNING & MAINTT	9,57,389.05	11,78,497.50
Xiv) INSURANCE	1,57,628.00	1,82,355.43
XV) CERTIFICATION CHARGES	97,365.00	1,16,438.00
Xvi) LEGAL & PPROFESSIONAL EXP	23,52,060.00	9,89,608.60
XVI) ROC & OTHER FEES	1,23,211.20	1,72,456.80
XVIII) RATE & TAXES/DIVIDEND TAX	13,082.00	31,162.00
XIX) FIRE FIGHTING EXP	0.00	30,000.00
XX) SOCIAL WELFARE EXP	2,80,100.00	0.00
XX) DIRECTOR MEETING FEES	28,000.00	0.00
XXI) SUNDARY BALANCE WRITE OFF	1,658.82	0.00
<b>Sub-Total (II)</b>	<b>56,02,683.91</b>	<b>45,28,665.01</b>
<b>III) SELLING &amp; DISTRIBUTION EXPENSES :</b>		
i) SAMPLING EXPENSES	0.00	0.00
ii) SALES PROMOTION	1,12,711.70	13,52,538.51
iii) FREIGHT OUTWARD A/C	1,03,837.00	86,300.00
iv) REBATE & DISCOUNT ALLOWED	83,87,528.85	71,78,530.32
v) GODOWN RENT	3,33,777.00	6,27,119.00
vi) SALES INCENTIVE	60,05,936.00	50,77,155.00
vii) LAB EXPENSE/ TESTING CHARGES	98,440.60	350.00
viii) PACKING EXPENSES	3,38,673.00	22,915.00
ix) ADVERTISEMENT EXP.	18,615.00	19,900.00
X) DIWALI EXP	9,38,472.00	35,080.00
<b>Sub-Total (III)</b>	<b>1,63,37,991.15</b>	<b>1,43,99,887.83</b>
<b>TOTAL (I+II+III)</b>	<b>2,19,40,675.06</b>	<b>1,89,28,552.84</b>

**2.10 EXCEPTIONAL ITEMS & PRIOR PERIOD ITEMS**

Particulars	As at 31 .March,2019	As at 31,March,2018
A) Prior Period Expenditure	0.00	0.00
B) Prior Period Income	0.00	0.00
C) Profit on sale of Vehicle	0.00	14,143.21
<b>TOTAL</b>	<b>0.00</b>	<b>14,143.21</b>

**2.11 ADDITIOANAL DISCLOSURES**
**2.11.2 OTHER INFORMATION**

Particulars	As at 31 .March,2019	As at 31,March,2018
a) Directors Remuneration		
i) Ms Divya Kothari	600000.00	600000.00
	<b>600000.00</b>	<b>600000.00</b>



<b>CHD CHEMICALS PVT LTD</b> <b>Fixed Asset Schedule 'A' to Balance Sheet ( As per Companies Act, 2013 )</b>											
	<b>Gross Block</b>				<b>Rate Of</b>	<b>Depreciation</b>				<b>Net Block</b>	
<b>Particulars</b>	<b>Amount As On</b>	<b>Additions</b>	<b>Deletions</b>	<b>Amount As On</b>		<b>Amount As On</b>	<b>During the</b>	<b>Withdrawn during the</b>	<b>Amount as on</b>	<b>W.D.V. as on</b>	<b>W.D.V. as on</b>
	<b>31st March 2018</b>			<b>31-Mar-19</b>	<b>Dep</b>	<b>31st March 2018</b>	<b>year</b>	<b>year</b>	<b>31-Mar-19</b>	<b>31-Mar-19</b>	<b>31st March 2018</b>
Computers	3,20,012	10,339	-	3,30,350.98		1,35,768	63,894	-	1,99,661	1,30,690	1,84,244
Furniture & Fixtures	5,461	-	-	5,461.00		2,370	564	-	2,933	2,528	3,091
Office Equipments	3,51,067	56,749	-	4,07,816.20		1,84,805	62,019	-	2,46,824	1,60,992	1,66,262
Vehicles	1,68,53,041	58,338	-	1,69,11,379.00		29,95,356	20,44,957	-	50,40,313	1,18,71,066	1,38,57,685
<b>Total</b>	<b>1,75,29,581</b>	<b>1,25,426</b>	<b>-</b>	<b>1,76,55,007.18</b>		<b>33,18,299</b>	<b>21,71,433</b>	<b>-</b>	<b>54,89,732</b>	<b>1,21,65,275</b>	<b>1,42,11,282</b>
<b>Previous Year</b>	<b>6813501</b>	<b>10841080</b>	<b>0</b>	<b>1,75,29,581.00</b>		<b>1940025</b>	<b>1427417</b>	<b>49143</b>	<b>3318299</b>	<b>14211282</b>	<b>4873476</b>

## **CHD CHEMICALS LTD**

### **FINANCIAL YEAR 2018-19**

#### **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, and 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 2018-19, out of the outstanding 1253000 warrants as on 31.03.2018, the company issued 1253000/- share upon conversion of warrant and No warrants are outstanding as on 31.03.2019. The company received Rs 9397500/- on allotment of abovesaid 1253000 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 Nil 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 2018-19 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 2 3 4 5 6 7	Divya Kothari Ankit Kothari Inder Singh Vijender Singh Bajrang Lal Kedia Kamal Kumar Shah Harsimran Jit Kaur	Directors/ Key Managerial Personnel
8 9 10 11 12 13 14	Kitabwati Kothari Satyaveer Singh Kothari Suman Sihag Chanda Kedia Sumangla Shah Aditya Shah Surinder Kaur	Relatives Of Key Management Personnel
15 16 17 18	M/S A.D. Sales Corp. M/S Bharat Udyog M/S Ankit Trade & Investments Private Limited M/S Pan Organics Industries	Companies/Entity Owned Or Significantly Influenced By Directors/Relatives Of Directors

### d) Related Party Transactions :-

Nature of Transactions	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Transaction during the year	Amount	
<b>REMUNERATION</b>		
DIVYA KOTHARI	6.00	6.00
SATYAVEER SINGH KOTHARI	12.00	12.00
<b>SHARES ALLOTTED</b>		
DIVYA KOTHARI	15.00	35.00
KITABWATI KOTHARI	3.00	7.00
ANKIT KOTHARI	1.50	5.50
INDER SINGH	2.00	3.50
ANKIT TRADE & INVESTMENT PRIVATE LIMITED	33.50	55.00
SUMANGLA SHAH	1.00	1.50
KAMAL KUMAR SHAH	1.00	3.00



<b>RENT PAID</b>		
ANKIT KOTHARI	2.03	1.60
M/S PAN ORGANICS INDUSTRIES	1.44	-

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.

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AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR R K DEEPAK & CO.  
CHARTERED ACCOUNTANTS

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