

8th ANNUAL REPORT

CHD CHEMICALS LIMITED

2019-2020

Corporate Information

BOARD OF DIRECTORS

MS. DIVYA KOTHARI
Mr. ANKIT KOTHARI
Mr. SUBHASH CHANDER
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

SCF 214, MOTOR MARKET
MANIMAJRA
CHANDIGARH
PHONE: 0172-5070373
Website: www.chdchemicals.com
CIN No.: L24232CH2012PLC034188

CORPORATE OFFICE:

Plot No 331, Industrial Area
Phase II, Panchkula
Haryana

REGISTRARS & TRANSFER AGENT

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

Book Closure: Date: 24th December , 2020 to 30th December , 2020 (both days inclusive).



NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of **CHD CHEMICALS LIMITED** will be held on **Wednesday, 30th December, 2020 at 11.30 A.M.** through video conferencing ('VC') / other audio visual means ('OAVM') facility, to transact the following business:

ORDINARY BUSINESS

Item No 1: Adoption of the Audited Financial Statements as at 31st March, 2020

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020, 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 Subhash Chander as a Director liable to retire by rotation:

To appoint a director in place of Mr Subhash Chander (Din: 08681546), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No.3 : Re appointment of Ms Divya Kothari as Managing Director and approval of remuneration :

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, as amended from time to time and its rules made there under read with Schedule V of the Companies Act 2013 (including any statutory modification(s) or reenactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Divya Kothari (DIN: 03592047) be and is hereby reappointed as the Managing Director of the Company for a period of five (5) years with effect

from 15th December, 2020 to 14th December, 2025 on the terms and conditions of appointment and remuneration as contained in the agreement, material terms of which are set out hereunder and here by approved by members of the Company on recommendation and approval by the Nomination & Remuneration Committee and Board of Directors of the Company."

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI[LODR]"), consent of the board of directors of the Company, subject to the approval of members of the Company be and is hereby accorded for continuance of payment of remuneration of Rs 50,000/- p.m for three years from 15.12.2020 to 14.12.2023 to Executive Director of the Company Ms. Divya Kothari, Managing Director (DIN: 03592047), who is also Promoter of the Company, notwithstanding that maybe in excess of 5 per cent of the net profits of the Company as calculated under section 198 of the Act, in any financial year during her tenure of appointment.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Ms Divya Kothari, Managing Director may be paid remuneration by way of salary, perquisites and other allowances not exceeding the prescribed ceiling limit under Section II(A) of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for obtaining necessary approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company".

Item no :4 Re-appointment of Mr. Bajrang Lal Kedia as an Independent Director of the Company for a period of five (5) years.

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

"**RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and all

other applicable provisions of the Companies Act, 2013 as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (LODR) Regulations, 2015, Mr. Bajrang Lal Kedia (DIN 07339265), whose present term as an Independent Director ends at the 14th November, 2020, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the applicable regulation of SEBI (LODR) Regulations, 2015 and also declared that he has not been debarred from holding the office of director or continuing as a director of company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended and approved by the Nomination and Remuneration Committee and Board of Directors of the Company consent of the members of the Company be and is hereby accorded to re-appoint/continue the Directorship of Mr. Bajrang Lal Kedia (DIN 07339265), who is being re-appointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from 15th November, 2020 to 14th November, 2025.

RESOLVED FURTHER THAT the Board of Directors, the Chief Financial Officer or the Company Secretary be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

Item no :5 Re-appointment of Mr. Vijender Singh as an Independent Director of the Company for a period of five (5) years.

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

"RESOLVED THAT pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 as amended from time to time and the Companies (Appointment and Qualification of

Directors) Rules 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (LODR) Regulations, 2015, Mr. Vijender Singh (DIN 07339155), whose present term as an Independent Director ends at the 14th November, 2020, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the applicable regulation of SEBI (LODR) Regulations, 2015 and also declared that he has not been debarred from holding the office of director or continuing as a director of company by SEBI/ MCA or any other authority in India or abroad and is eligible for re-appointment and whose re-appointment has been recommended and approved by the Nomination and Remuneration Committee and Board of Directors of the Company consent of the members of the Company be and is hereby accorded to re-appoint/continue the Directorship of Mr. Vijender Singh (DIN 07339155), who is being re-appointed as an Independent Director of the Company, for a second term of five consecutive years to hold the office from 15th November, 2020 to 14th November, 2025.

RESOLVED FURTHER THAT the Board of Directors, the Chief Financial Officer or the Company Secretary be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

Item No : 6 Increase in borrowing limits from 10 crores to 20 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution: **"RESOLVED THAT** in supersession of the resolution passed by the shareholders of the Company in Extra Ordinary General meeting held on 15th July, 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the



Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed 20 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

Item no:7 Regularization of Appointment of Director – Subhash Chander

To Consider and if thought fit to pass with or without modifications the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the regulation of SEBI(LODR) Regulation 2015 and other applicable Law, Mr. Subhash Chander (DIN: 08681546), who was appointed as Additional Director on 28th January, 2020 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for

the purpose of giving effect to the aforesaid resolution."

Item no :8 Regularization of Appointment of Director – Ankit Kothari

To Consider and if thought fit to pass with or without modifications the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the regulation of SEBI(LODR) Regulation 2015 and other applicable Law, Mr. Ankit Kothari (DIN: 06883692), who was appointed as Additional Director on 26th November, 2020 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

By Order of the Board of Directors

For CHD CHEMICALS LIMITED.

SD/-

DIVYA KOTHARI
Managing Director

DIN – 03592047

Place: Panchkula
Dated: 5th December, 2020

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

Ms. Divya Kothari has been reappointed as Managing Director on 05.12.2020 for a period of Five Years by the board of the Company. Further, the appointment and remuneration is subject to the approval of members in the ensuing Annual general Meeting .

Ms. Divya Kothari (DIN: 03592047) Managing Director, is the member of promoter group. Considering the valuable contribution, commitment, guidance and services being rendered by Ms. Divya Kothari for the sustained growth of the Company, it is proposed to seek members' approval for the re-appointment and continuance of payment of remuneration of Ms. Divya Kothari, Managing Director of the Company.

Ms. Divya Kothari (DIN: 03592047) Managing Director satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for her reappointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013 and has given her consent to act as a Managing Director and She has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. Other disclosures to be provided in terms of Sections 196 to 198 read with Schedule V and applicable Rules under the Companies Act and SEBI Regulations, as the case may be are provided in Annexure -I to the Notice.

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

I.GENERAL INFORMATION:

(1)Nature of Industry– Chemicals Industry
Company Main Object pursued by the company :
 The company is doing business of trading in high quality chemicals & dyes for textiles industry.

(2)Date of commencement of commercial operation-

The Company started its business back in 2013.

(3) Details of new company:

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

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

Financial Parameters	2015-2016	2016-2017	2017-2018	2018-2019	2019-20
Turnover	4036.25	4330.34	3507.25	7630.64	8651.02
Net Profit	38.40	52.78	69.41	89.10	72.45
Net profit as per profit And loss Account	38.40	52.78	69.41	89.10	72.45
Tax	11.24	18.12	17.86	23.11	19.60
Profit After Tax	27.16	34.66	51.55	65.99	52.85
Equity Share Capital	645.40	520.90	885.60	1010.90	1010.90

(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 30 is the promoter of the company. She looks after day to day routine operational activities of our company and with her multifunctional experience; she guides company in its growth strategies. She is well versed in all aspects of Marketing, Finance and Administration. She has contributed well towards the growth of our Company and under her guidance the turnover of our Company has increased manifold.

(2) Past remuneration: 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) Remuneration proposed: There is no change in the existing remuneration.

(8) 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.

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, additional Director on the board and holder of 718090 shares in the Company and Mrs. Kitabwati Kothari, Mother of Ms. Divya Kothari, Share Holder in the Company holding 200000 shares.

Item No 4& 5

The first term of Mr. Bajrang Lal Kedia and Mr Vijender Singh Non executive Independent Directors of the Company has expired on 14th November, 2020 and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on 10th November, 2020 has approved to seek the approval of shareholders of the Company, in the ensuing Annual General Meeting, for the reappointment of Mr. Bajrang Lal Kedia and Mr Vijender Singh Non executive Independent Directors for second term of five years with effect from 15th November, 2020 to 14th November 2025

As the above-named Independent Directors shall be completing their first term of appointment and they are eligible for reappointment for another term of five consecutive years subject to approval of the Members by Special Resolution. The above named Independent Directors have consented to their re-appointment and confirmed that they are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act. The Company has also received the declarations from the said Directors stating that they meet all the criteria of Independence, as prescribed under Section 149(6) of the Act and under Regulation 16 (b) of SEBI (LODR) Regulations, 2015 and they are not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meeting held on 10th November, 2020 have recommended the re-appointment of Mr. Bajrang Lal Kedia and Mr Vijender Singh as an Independent Director for a second term of five consecutive years effective from 15th November, 2020 to 14th November, 2025. During their tenure of appointment, they

shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. In the opinion of the Board, they fulfil the conditions for re-appointment as Independent Directors and they are independent of the Management.

Brief resume of above Independent Directors, nature of their expertise in specific function areas and names of companies in which they hold directorship and memberships/ chairmanships of the Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015, are provided in the Annexure I to this Notice, which is forming part of the Annual Report.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 4 & 5 of the Notice

The Board recommends the Special Resolutions as set out in Item Nos. 4 & 5 of the Notice for approval of the Member.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their reappointment is available for inspection by the Members may write to the Company on cs@ccichd.com for inspection of said documents till the conclusion of the ensuing General Meeting

Item No 6

The shareholders of the Company IN Extra Ordinary General meeting passed the resolution resolution dated 15th July, 2014 had accorded their consent to the Board of Directors for borrowing up to 10 crores. It is proposed to increase the borrowing limits to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed 20 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within prudent limits. It is necessary to obtain fresh approval of the shareholders by means of a Special Resolution. The Board recommends the Resolution at Item No.6 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

Item No 7

Mr Subhash Chander (Din NO 08681546) on the recommendation of Nomination and Remuneration Committee was appointed as Additional Director with effect from 28th January, 2020 by the Board in accordance with the Article of Association and section 161 of Companies Act, 2013("Act"). As per the Section 161 of the Act. Mr Subhash Chander(DIN 08681546) holds the office upto the date of ensuing annual General meeting . the company has received the requisite notice in writing under Section 160 of the Act from a member proposing the candidature of Mr Subhash Chander to be appointed as Non executive director at the ensuing Annual General Meeting liable to retire by rotation . Mr Subhash Chander has consented to the proposed appointment and declared qualified.

Mr Subhash Chander possess the requisite knowledge, experience and skill for the position of director. The Board on the receipt of said notice form the member and on the recommendation of nomination and remuneration committee and subject to the approval of members in the ensuing AGM has accorded its consent to appoint Mr subhash Chander as non executive director liable to retire by rotation .

Except Mr Subhash Chander, no other director, Key managerial Personnel of the company and their relative thereof are interested or concerned financial or otherwise in the proposed resolution.

Item No 8

Mr. Ankit Kothari (DIN: 06883692)on the recommendation of Nomination and Remuneration Committee was appointed as Additional Director with effect from 26th November, , 2020 by the Board in accordance with the Article of Association and section 161 of Companies Act, 2013("Act"). As per the Section 161 of the Act Mr. Ankit Kothari (DIN: 06883692), holds the office upto the date of ensuing annual General meeting . the company has received the requisite notice in writing under Section 160 of the Act from a member proposing the candidature Mr. Ankit Kothari to be appointed as Non executive director at the ensuing Annual General Meeting liable to retire

by rotation . Mr. Ankit Kothari has consented to the proposed appointment and declared qualified.

Mr. Ankit Kothari possess the requisite knowledge, experience and skill for the position of director. The Board on the receipt of said notice form the member and on the recommendation of nomination and remuneration committee and subject to the approval of members in the ensuing AGM has accorded its consent to appoint Mr. Ankit Kothari as non executive director liable to retire by rotation .

None of the Directors, KMP and their relatives except Mr Ankit Kothari himself and Ms. Divya Kothari relative of Mr Ankit Kothari and Managing director of Company and, Mrs. Kitabwati Kothari Mother of Mr Ankit Kothari and shareholder of the company holding 200000 shares

**ANNEXURE I TO THE NOTICE**

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

(a) Profile of Ms Divya Kothari as Managing Director

Name of the Director	Divya Kothari
DIN No	03592047
Date of Birth	23/09/1989
Date of appointment	05/11/2012
Qualification	Bachelor Degree in Commerce and Bachelor degree in applied finance
Past Remuneration	RS 50000/- per month
Terms and conditions of reappointment	As stated in the resolution set out in item number 3 of the Notice
Details of remuneration sought to be paid	As stated in the resolution set out in item number 3 of the Notice
Expertise in specific functional areas	10 years of Experience in Financial Markets and trading operations
Chairman/ Member of the Committee of the Board of Directors of our Company	Member-Audit Committee
Committee position held in other Companies	NIL
List of other Directorship	ANKIT TRADE & INVESTMENT PRIVATE LIMITED
No. of shares held In the Company	2036636
Number of the Meetings attended during the year	7
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Divya Kothari is the Sister of Mr Ankit Kothari director of the Company

(b) Profile of Mr. Bajrang Lal Kedia as Independent Director

Name of the Director	Bajrang Lal Kedia
DIN No	07339265
Date of Birth	02/01/1967
Date of appointment	12/11/2015
Date of Re-appointment	Proposed in the AGM
Qualification	B.Com
Expertise in specific functional areas	Served over 20 years to Indian Force. 13 years of experience in textile and allied sector
List of other Directorship	NIL

No. of shares held In the Company	24545
Number of the Meetings attended during the year	8
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
List of other Directorship	NIL
Chairman/ Member of the Committee of the Board of Directors of our Company	Member Audit Committee Member Stakeholder & Relationship Committee Member Nomination and Remuneration Committee
Committee position held in other Companies	NIL
List of other Directorship	NIL

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

Name of the Director	Vijender Singh
DIN No	07339155
Date of Birth	29/12/1973
Date of appointment	12/11/2015
Date of Re-appointment	Proposed in the AGM
Qualification	Bachelor degree in science and law graduate.
Expertise in specific functional areas	Rich Experience in Legal practice, taxation.
List of other Directorship	NIL
No. of shares held In the Company	NIL
Number of the Meetings attended during the year	8
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
List of other Directorship	NIL
Chairman/ Member of the Committee of the Board of Directors of our Company	Member& Chairman Audit Committee Member& Chairman Stakeholder & Relationship Committee Member& Chairman Nomination and Remuneration Committee
Committee position held in other Companies	NIL

(D) Profile of Mr. Subhash Chander as Non Executive Director:

Name of the Director	Subhash Chander
DIN No	08681546
Date of Birth	05-03-1962
Date of appointment	28/01/2020
Qualification	He did Graduate in Economics and Political Science from Kurukshetra University Haryana.
Details of remuneration sought to be paid	NIL
Expertise in specific functional areas	He is a Retired Haryana Government employee and having 10 year of experience with leadership positions in business strategy, marketing, sales, Projects & in petroleum business.
Chairman/ Member of the Committee of the Board of Directors of our Company	Member Stakeholder & Relationship Committee Member Nomination and Remuneration Committee
Committee position held in other Companies	NIL
List of other Directorship	NIL
No. of shares held In the Company	NIL
Number of the Meetings attended during the year	1
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL

(E) Profile of Mr. Ankit Kothari as Non Executive Director:

Name of the Director	Ankit Kothari
DIN No	06883692
Date of Birth	05-08-1995
Date of appointment	26-11-2020
Qualification	Graduate from university of British Columbia, BC
Details of remuneration sought to be paid	NIL
Expertise in specific functional areas	He is having three year of experience in Marketing and Administration and Human Resource.
Chairman/ Member of the Committee of the Board of Directors of our Company	NIL
Committee position held in other Companies	NIL
List of other Directorship	NIL
No. of shares held In the Company	718090
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr Ankit Kothari is the brother of Ms Divya Kothari, managing Director of the company.

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars the Eighth AGM of the Company will be held through VC / OAVM

The facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

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. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at SCF 214 Motor Market, Manimajra, Chandigarh which shall be the deemed venue of AGM.

4. Mr. Neeraj Jindal, has been appointed as the Scrutinizer to scrutinize the remote e-voting/e-voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM

5. In compliance with the Circulars, copies of Annual Report for Financial Year 2019-20, the Notice of the AGM and instructions for remote e-voting/ e-voting are being sent in electronic mode to those Shareholders whose email addresses are registered with Registrar/ Depository Participant(s). The copy of Annual Report along with the Notice is also available on Company's website at www.bseindia.com and on website of the Stock Exchange at www.bseindia.com

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. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Members whose email addresses / Bank details are not registered/updated are requested to register/ update by contacting their respective Depository Participant(s).

11. As required under Listing Regulations and Secretarial Standards-2 on General Meetings details in respect of directors seeking reappointment at the AGM, is separately annexed. Directors seeking re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

12. The Register of Members of the Company shall remain closed from the Thursday, 24th December, 2020 to Wednesday, 30th September, 2020(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. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be Wednesday, 23rd December, 2020.

16. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company.

17. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 7 days prior to the Meeting so that the required information can be made available at the Meeting.

18. Instructions for attending the AGM through VC/OAVM:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose,

the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.chdchemicalsltd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.



7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

19. Voting Through Electronic Means

- (i) The voting period begins on 27.12.2020 and 9.00 A.M and ends on 29.12.2020 and 5.00 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 23rd December, 2020 (Record Date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Shareholders 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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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"> 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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.



- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

20. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.



- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
- Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

21. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address cs@ccichd.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

22. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.chdhchemicalsLtd.com and on website of CDSL e-Voting 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.

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

SD/-
DIVYA KOTHARI
MANAGING DIRECTOR
DIN – 03592047

Place: Panchkula
Dated: 05th December, 2020

DIRECTORS' REPORT

Dear Members,

Your Directors take great pleasure in presenting the 8th Annual Report of **CHD CHEMICALS LIMITED** the "Company" on business and operations of the Company along with the audited financial statements of accounts for the financial year ended 31st March 2020.

1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

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

Amount in Lacs.

Particulars	2019-20	2018-2019
Total Income	8655.70	7635.1
Total Expenditure	8583.24	7545.91
Earnings before Finance Cost, Depreciation & Amortization and Tax	136.56	89.19
Less: Finance Cost	36.23	35.00
Less: Depreciation & Amortization	27.87	29.26
Profit before tax	72.46	89.10
Provision for Tax/ (Deferred tax)	19.60	23.11
Comprehensive Income	52.85	65.99

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. 8655.70 Lacs in comparison to Last year's revenue i.e. Rs. 7635.02 Lacs
- The Profit in the Current year is Rs. 52.85 Lacs in comparison to 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 2019-20,

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:

No change in the paid up share capital of the company during the year

(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	:	
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	:	NIL
	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 Mr Ankit Kothari resigned from the directorship of the company with effect from 31st August, 2019 and MR Subhash Chander(DIN No 08681546) has been appointed has an additional non executive director of the company with effect from 28/01/2020.

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr Subhash Chander (Din: 08681546), being Non-Executive Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his appointment.

KEY MANAGERIAL PERSONNEL

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

BOARD COMMITTEES

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

9. BOARD MEETINGS

The board met 8 times during the financial year.

The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Details of the board meeting are provided in the "Annexure V" report on corporate Governance and the same forms part of this report.

10. DECLARATION BY INDEPENDENT DIRECTORS

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2020, 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, 2020 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. 30** 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) during the financial year 2019-20.

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 2019-20.

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 2019-20

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

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

Ankit kOthari
Additional Director
DIN -06883692

Place: Panchkula

Dated: 05th December, 2020

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.
SCF 214, MOTOR MARKET MANIMAJRA
CHANDIGARH.**

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, 2020, 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, 2020, 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
SD/-**

**Date: 04.09.2020
Place: Chandigarh.**

**CS. Neeraj Jindal
M.No. F8270
CP. No. 9056
UDIN: F008270B000660471**

'ANNEXURE A'

To

The Members,

**The CHD CHEMICAL LIMITED.
SCF 214, MOTOR MARKET MANIMAJRA
CHANDIGARH.**

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
SD/-**

**Date: 04.09.2020
Place: CHANDIGARH**

**CS. Neeraj Jindal
M.No. F8270**

**CHD CHEMICALS LIMITED****CP. No. 9056****UDIN: F008270B000660471****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 align="center">NOT REQUIRED AS THERE ARE NO TRANSACTIONS FALLING UNDER THIS SECTION</p>
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	



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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SATVEER KOTHARI FATHER OF MANAGING DIRECTOR
b)	Nature of contracts/arrangements/transaction	SALARY
c)	Duration of the contracts/arrangements/transaction	FIVE YEAR W.E.F 01.08.2019
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	EMPLOYMENT AGREEMENT FOR FIVE YEAR.
e)	Date of approval by the Board	30.05.2019
f)	Amount paid as advances, if any	NIL



SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	ANKIT KOTHARI BROTHER OF MANAGING DIRECTOR
b)	Nature of contracts/arrangements/transaction	GUEST HOUSE AGREEMENT
c)	Duration of the contracts/arrangements/transaction	11 MONTHS W.E.F 01.05.2019
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	GUEST HOUSE TAKEN ON RENT FROM MR ANKIT KOTHARI
e)	Date of approval by the Board	29.04.2019
f)	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	PAN ORGANICS INDUSTRIES PROPRIETOR MRS KITABWATI KOTHARI (MOTHER OF PROMOTER)
b)	Nature of contracts/arrangements/transaction	RENT AGREEMENT
c)	Duration of the contracts/arrangements/transaction	11 MONTHS W.E.F 01.05.2019
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	OFFICE TAKEN ON RENT
e)	Date of approval by the Board	29.04.2019
f)	Amount paid as advances, if any	NIL

FOR CHD CHEMICALS LIMITED**SD/-**

Divya Kothari
Managing Director
DIN – 03592047

SD/-

Ankit Kothari
Additional Director
DIN -06883692

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, 2020

[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	SCF 214, MOTOR MARKET, MANIMAJRA CHANDIGARH CONTACT:- 0172-5070373
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	2036636	0	2036636	20.15%	2036636	0	2036636	20.15%	0.00
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)	2036636	0	2036636	20.15%	2036636	0	2036636	20.15%	0.00
(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)	2036636	0	2036636	20.15%	2036636	0	2036636	20.15%	0.00
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	10000	0	10000	0.09%	0	0	0	0.00	-0.09%
SUB - TOTAL (B) (1)	10000	0	10000	0.09%	0	0	0	0.00	-0.09%
2. Non-institutions									
a) Bodies Corporate									
i) Indian	2600000	0	2600000	25.72%	2519647	0	2519647	24.92%	-0.79%
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	440000	-	440000	4.25	91384	-	91384	0.90	-3.35%
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4720764	167181	4887945	46.49	5122584	167181	5289765	52.33%	+5.84%
c) Others specify									
HUF	40000	94499	134499	1.33%	75846	94499	170345	1.68%	+0.35%
NRI	0	0	0	0	1005	0	1005	0.009%	+0.009%
Clearing Members	0	0	0	0	298	0	298	0.002%	+0.002
SUB - TOTAL (B) (2)	7800764	261680	8062444	77.80%	7810764	261680	8072444	79.85%	+2.05%
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	7810764	261680	8072444	77.89	7810764	261680	8072444	79.85	+1.96%
C. SHARES HELD BY CUSTODIAN FOR GDRS& ADRS	0	0	0	0	0	0	0	0	0
GRANDTOTAL (A+B+C) 1	9847400	261680	10109080	100%	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 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			
		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	2036636	20.15%	0	2036636	20.15%		
	Total	2036636	20.15%	0	2036636	20.15%		

ATTACHMENT E

(iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year (As on 01-04-2019)/ at the end of the year 31.03.2020					Cumulative Shareholding at the beginning of the year (As on 01-04-2019)/ at the end of the year 31.03.2020	
		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	2036636	20.15%	21.04.2019		NIL	2036636	20.15%
		2036636	20.15%	31.03.2020			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 01.04.2019/ at the end of the year 31.03.2020		Shareholding during the year (01-04-19 to 31-03-20)			Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		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	316681	3.13%				316681	3.13%
		316681	3.13%	31.03.2020			316681	3.13%
2.	JAGDISH PRASAD ARYA	280000	2.77%	31.01.2020	-50000	Sell in Market	230000	2.75%
				13.03.2020	41000	Purchase from	271000	2.68%
				31.03.2020			271000	2.68%
3.	KAPIL KUMAR KOTHARI	134227	1.33%				134227	1.33%
		134227	1.33%	31.03.2020			134227	1.33%
4.	REENA SHARMA	262500	2.60%				260000	2.57%
				26.04.2019	20000	Purchase from Market	280000	2.77%
				29.11.2019	36976	Purchase from Market	316976	3.13%
				06-12-2019	-48678	Sell in Market	268298	2.65%
				20.12.2019	-1945	Sell in Market	266353	2.63%
				10.01.2020	-20000	Sell in Market	246353	2.44%
				17.01.2020	-22252	Sell in Market	224101	2.22%
				24.01.2020	87808	Purchase from Market	311909	3.08%
				31.01.2020	855	Purchase from Market	312764	3.09%
				28.02.2020	-8808	Sell in Market	303956	3%

		303956	3.00%	31.03.2020			303956	3.00%
5.	AJAY BANSAL	200000	1.98%	31.01.2020	-50000	Purchase from Market	150000	1.48%
				28.02.2020	+31000	Purchase from Market	181000	1.79%
		181000	1.79%	31.03.2020			181000	1.79%
6.	KOTHARI TRADE INVESTMENTS PVT LTD.	1290000	12.76%	26.04.2019	-10000	Sell in Market	1280000	12.66%
				26.07.2019	+20000	Purchase from Market	1300000	12.86%
				06.03.2020	+1000	Purchase from Market	1301000	12.87%
		1301000	12.87%	31.03.2020			1301000	12.87%
7.	ANKIT TRADE & INVESTMENT PRIVATE LIMITED	1200000	11.87%				1200000	11.87%
		1200000	11.87%	31.03.2020			1200000	11.87%
8.	KITABWATI KOTHARI	290909	2.88%	16.03.2020	90909	Off Market transfer	200000	1.98%
		200000	1.98%	31.03.2020			200000	1.98%
9.	DHARMENDRA CHOUDHARY	150000	1.48%				150000	1.48%
		150000	1.48%	31.03.2020			150000	1.48%
10.	KULDEEP	182727	1.80%				182727	1.80%
		182727	1.80%	31.03.2020			182727	1.80%

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 01.04.2019/ end of the year 31.03.2020		Shareholding during the year (01-04-2019 to 31-03-2020)			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		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	2036636	20.15%				2036636	20.15%
		2036636	20.15%				2036636	20.15%
2.	ANKIT KOTHARI DIRECTOR	627181	6.20%	16.03.2020	90909	Off market Transfer	718090	7.10%
		718090	7.10	31.03.2020			718090	7.10%
3.	INDER SINGH DIRECTOR	114545	1.13%				114545	1.13%
		114545	1.13%	31.03.2020			114545	1.13%
4.	KAMAL KUMAR SHAH CHIEF FINANCIAL OFFICER	85909	0.85%				85909	0.85%
		85909	0.85%	31.03.2020			85909	0.85%
5.	BAJRANG LAL KEDIA INDEPENDENT DIRECTOR	24545	0.24%	01.04.2019			24545	0.24%
		24545	0.24%	31.03.2020			24545	0.24%

ATTACHMENT H

V. INDEBTENDNESS

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

	<i>Amount (INR)</i>			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
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
TOTAL (i+ii+iii)	30810457.10	98,00,000.00	0.00	40610457.10
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Reduction	21882026.67	0.00	0.00	21882026.67
Net Change				
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	8928430.43	98,00,000.00	0.00	18728430.43
ii) Interest due but not paid -	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	8928430.43	98,00,000.00	0.00	18728430.43

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/WTM/Manager			
		DIVYA KOTHARI MANAGING DIRECTOR			Total Amount in Rs.
1.	Gross salary	600000			600000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisite u/s 17(2) of the Income Tax 1961	0			0
	(c) Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	0			0
2.	Stock Option	0			0
3.	Sweat Equity	0			0
4.	Commission - as % of profit - as others, specify	0			0
5	Others, please specify	0			0
	TOTAL (A)	600000			600000
	Ceiling as per the Act	(Remuneration as per the provisions of Section II, Table A of Schedule V of the Companies Act, 2013 approved by members)			

ATTACHMENT J

B. Remuneration to other Directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors				
			Inder Singh	Bajrang Lal Kedia	Vijender Singh	(Amt. in Rs.) Total Amount
1.	Independent Directors					
	Fee for attending board / committee meetings		0.00	28000	35000	16000
	Commission		0.00	0.00	0.00	0.00
	Others, please specify		0.00	0.00	0.00	0.00
	TOTAL (1)		0.00	28000	35000	63000
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings		26000	0.00	0.00	26000
	Commission		0.00	0.00	0.00	0.00
	Others, please specify		0.00	0.00	0.00	0.00
	TOTAL (2)		26000	0.00	0.00	26000
	TOTAL (B)=(1+2)		89000			
	TOTAL MANAGERIAL REMUNERATION*		600000			
	Overall Ceiling as per the Act					

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

ATTACHMENT K

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

Sl. No.	Particulars of Remuneration	COMPANY SECRETARY HARSIMRAN JIT KAUR	CFO KAMAL KUMAR SHAH	Amount in Rs. Total Amount
1.	Gross salary	312000	900000	1212000
	(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	7475		
	(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			
	Bonus	15000		
	Ex Gratia Incentive	18000		
	Total	352475	900000	1212000

ATTACHMENT L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

Annexure "III" to Directors' Report for the year ended 31st March, 2020**Particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014****[A] CONSERVATION OF ENERGY:**

(a) Energy Conservation Measures Taken:

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

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

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

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

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

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

	Current Year	Previous Year
--	--------------	---------------

Electricity:

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

Furnace Oil:

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

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

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

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

Expenditure on R&D: (N.A)	Current Year (Rs. Lakhs)	Previous Year (Rs.Lakhs)
-------------------------------------	--------------------------------	-----------------------------

- a) Capital
b) Recurring
c) Total
d) Total as % of
Turnover
Rate/Unit

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL**Details of earnings in foreign exchange: nil**

Particulars	Current Year 01.04.19- 31.03.20	Previous Year 01.04.18- 31.03.19
Export of Goods calculated on FOB Basis		
Interest and dividend		
Royalty		
Know-how	NIL	NIL
Professional and Consultancy fees		
Other Income		
Total earning in foreign exchange		

Details of expenditure in foreign exchange: nil

Particulars	Current Year 01.04.19- 31.03.20	Previous Year 01.04.18- 31.03.19
Import of Capital Goods calculated on CIF Basis:		
(i) raw material		
(ii) component and spare parts		
(iii) capital goods – Software Purchase		
Expenditure on account of:	NIL	NIL
Royalty		
Know-how		
Professional and Consultancy fees		
Interest		
Other matters		
Dividend paid		
Total expenditure in foreign exchange		

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

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

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

S.No	Name of Directors	Remuneration	% Increase in Remuneration	Ratio of remuneration of each Director/ to Median remuneration of employees
1	Divya Kothari (Managing Director)*	600000	NA	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. 4,20,000/-

- (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	No change in remuneration during the year
2.	Kamal kumar Shah	CFO	900000	
3.	Harsimran Jit Kaur	Company Secretary	345000	

- (4) The number of permanent employees on the rolls of company as on 31st March, 2020** was 17.

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

Profit Before Tax decreased by 18.69% and Profit After Tax decreased by 19.91% in the financial year 2019-20, compared to profit in previous financial year. The average decrease of 7.89% in the median remuneration of the comparable employees during the financial year. Hike in the salary has been given to some employees only during the financial year.

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

Median remuneration of employees during the financial year 2019-2020 was 4,20,000 as compared to 456000 previous financial year. There is decrease in percentage of median remuneration of employees because there was hike in salary of some employees and two new employees were employed during the year.

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, 2020 was Rs. 3553.34 Lacs .

(b) Price Earnings ratio of the Company was 28.20 as at March 31, 2019 and as on March 31, 2020 it was 67.60.

Closing date of Financial Year	Issued Capital (shares)	Closing Market Price Per Shares	EPS	PE Ratio	Mrket Capitaliza tion (Rs Lacs)
31.03.2019	10109080	18.33	0.65	28.20	1852.99
31.03.2020	10109080	35.15	0.52	67.60	3553.34
Increase/ Decrease	0.00	16.82	-0.13	+39.39	+1700.35
% Increase/ Decrease	0.00	91.76%	-20%%	139.79%	91.76%

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

The total remuneration of Key Managerial Personnel (KMPs) s in the Financial Year 2019-20 was 18.12 Lakhs . there was no change in the salary of KMP during the year. where as the Profit Before Tax decreased by 18.69% and Profit After Tax decreased by 19.91% in the financial year 2019-20

(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 2019-20 other than the MD & CEO was 18.57% 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 2019-20, 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	During the year there was no change in the salary of Key Managerial Personnel where as the Profit Before Tax decreased by 18.69% and Profit After Tax decreased by 19.91% in the financial year 2019-20
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, 2020:

Category	Name of the Directors	Designation	No of Shares held
Promoter	Divya Kothari	Managing Director	2036636
	Inder Singh	Director	114545
	Subhash Chander	Additional Director	NIL
Independent Director	Bajrang Lal Kedia	Director	24545
	Vijender Singh	Director	NIL

(b) NO. OF BOARD MEETING HELD AND DATES

1	29.04.2019
2	30.05.2019
3	13.08.2019
4	31.08.2019
5	07.11.2019

6	28.01.2020
7	14.02.2020
8	19.03.2020

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	7	Yes	1	-	-
2.	INDER SINGH	NON EXECUTIVE DIRECTOR	8	Yes	NA	-	-
3.	Subhash Chander	NON EXECUTIVE DIRECTOR	8	Yes	NA	--	-
4.	VIJENDER SINGH	NON EXECUTIVE INDEPENDENT DIRECTOR	8	Yes	NA	-	-
5.	BAJRANG LAL KEDIA	NON-EXECUTIVE INDEPENDENT DIRECTOR	8	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	6	6
2	MR. BAJRANG LAL KEDIA	MEMBER	6	6
3	MS. DIVYA KOTHARI	MEMBER	6	5

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

1	29.04.2019
2	02.05.2019
3	29.05.2019
4	25.08.2019
5	07.11.2019
5	14.02.2020

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, 2020, 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	4	4
2	MR. BAJRANG LAL KEDIA	MEMBER	4	4
3	MR.INDER SINGH	MEMBER	4	4

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	02.04.2019
2	11.07.2019
3	11.10.2019
4	11.01.2020

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 31-03-2019 - 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 31-03-2020 - 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 four times during the year. The necessary quorum was preset in the meeting. The dates of meetings are as follow:

S.NO	Date
1	06.04.2019
2	23.08.2019
3	11.10.2019
4	25.01.2020

During the year ended on 31st March, 2020, 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	4	4
2	MR. BAJRANG LAL KEDIA	MEMBER	4	3
3	MR.INDER SINGH	MEMBER	4	4

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

(4) GENERAL BODY MEETINGS

(a) Details of Annual General Meetings (AGMs)

YEAR	VENUE	DATE	TIME
2015	REGISTERED OFFICE	30 TH SEPTEMBER, 2015	10.30A.M
2016	Hotel Solitaire, Chandigarh	30 th September, 2016	11.00 A.M
2017	Hotel Solitaire, Chandigarh	29 th September, 2017	11.00 A.M
2018	Hotel Solitaire, Chandigarh	29 th September, 2018	11.30 A.M
2019	Hotel Solitaire, Chandigarh	30 th September, 2019	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 TH SEPTEMBER, 2015	Two	1. Conversion of the company to Public company 2. Alteration of the Articles of Association of the company pursuant to conversion into public company
30 TH SEPTEMBER, 2016	One	3. Appointment of Ms Divya Kothari as Managing Director

(5) GENERAL INFORMATION TO SHARE HOLDERS

i. ANNUAL GENERAL MEETING:

Remote E-voting for Annual General Meeting

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose name will appear on the register of members as on Wednesday, 23rd day of December, 2020 shall be eligible to participate in the e-voting.

Date	Time	Venue
30 th December, 2020	11.30 A.M	Through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.

ii. FINANCIAL CALANDER

Financial Year	April 1, 2019 to March 31, 2020
Book Closure	The Register of Members of the Company shall remain closed from the Thursday, 24 th December, 2020 to Wednesday, 30 th December, 2020 (both days inclusive).

iii DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on March 31, 2020, 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(%)
PHYSICAL	261680	2.59%
ELECTRONIC IN NSDL	2462030	24.35%
ELECTRONIC IN CDSL	7385370	73.06%
	10109080	100%

iv DISTRIBUTION OF SHAREHOLDINGS

SHARE OR DEBENTURE HOLDINGS				
Shares	Number	% of total	Shares	% of total
1 - 100	362	70.43	4015	0.04
101 - 500	27	5.25	6602	0.07
501 - 1000	10	1.94	7423	0.07
1001 - 2000	3	0.58	5423	0.05
2001 - 3000	6	1.17	15710	0.15
3001 - 4000	2	0.39	7842	0.07
4001 - 5000	2	0.39	9083	0.09
5001 - 10000	37	7.20	351696	3.48
10001 - And Above	65	12.65	9701286	95.97
Total	514	100.00	10109080	100

v CATEGORIES OF SHAREHOLDING:

Categories	No of shares held	Percentage of shareholding
PROMOTER	2036636	20.15%
BODY CORPORATE	2519647	24.92%
RESIDENT	5551494	54.92%
NRI	1005	0.009%
CLEARING MEMBER	298	0.003%
TOTAL	10109080	100%

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 DISCLOSURES

1. Related Party Transaction

The company has no material significant transaction with its related parties which may have potential conflict with the interest of the Company at large. The details of the transaction with the company and related parties are given for information under notes to the Accounts

2. Statutory compliances, penalties and structures:

The company has complied with the statutory compliances and there is no penalty or strictures are imposed on the company by the Stock Exchange or Securities Exchange Board of India, any other statutory authority on any matter related to the capital market during the last year.

3. Whistle blower Policy

Pursuant to section 177(9) and (10) of Companies Act, 2013 and Regulation 22 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available at company website www.chdchemicals.com

4. Disclosure of Accounting Treatment In the preparation of the Financial Statement

The Company has followed the Indian Accounting Standards referred to in section 133 of the Companies Act, 2013. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

5. Non-mandatory requirements

Adoption of Non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

6. Risk Management:

Business risk evaluation and management is ongoing process within the Company. The Assessment is periodically examined by the Board.

7. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of number of complaints filed and disposed of during the year and pending as on March 31, 2020 is given in the Director's Report.

8. Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year.: - Not Applicable

9. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) of Listing Regulations

The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. The Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and sub regulation (2) of Regulation 46 of the Listing Regulations.

viii LISTING ON STOCK EXCHANGE

With effect from Thursday, 27th August, 2019, the equity shares of CHD CHEMICALS LIMITED which were already listed under BSE SME Platform migrated & admitted to dealings on the Main board Platform of BSE

ix 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

x REGISTERED OFFICE

SCF 214, MOTOR MARKET
MANIMAJRA, CHANDIGARH-160101
PHONE: 0172-5070373
Website: www.chdchemicals.com
CIN No.: L24232CH2012PLC034188

XI CORPORATE ADDRESS

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

XII 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 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, 2020. 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.

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 Price	Low Price	No.of Shares
Apr-19	26.25	19.05	550000
May-19	27.3	25.6	40000
Jun-19	28.55	27.75	100000
Jul-19	28.7	26.95	30000
Aug-19	30	27.15	55111
Sep-19	32	27.95	10000
Oct-19	43	27.15	180819
Nov-19	56	33.8	391677
Dec-19	52.9	29.85	952103
Jan-20	52.9	39.75	741951
Feb-20	48.75	41.55	291052
Mar-20	47.9	35.15	31932

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. 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 2020.

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

SD/-

**Place: PANCHKULA
Dated: 5th December, 2020.**

**DIVYA KOTHARI
MANAGING DIRECTOR
DIN – 03592047**

ANNEXURE VI

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

OVERVIEW OF CHEMICAL INDUSTRY IN INDIA

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

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

Leading Position Globally

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

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

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

High GDP Share

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

Global Dye Supplier

India accounts for approximately 11 per cent of the world production of dyestuff and dye

intermediates, particularly for reactive acid and direct dyes

CHARACTERISTICS OF THE INDIAN CHEMICAL INDUSTRY

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

Business Overview

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

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

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

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

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

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

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

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

SWOT

Strengths

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

Weaknesses

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

Opportunities

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

Threats

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

Outlook

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

markets and will do all out efforts to secure the bigger share of the increasing market in future.

Internal Control Systems and Their Adequacy

The Company has proper and adequate systems of internal controls. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place.

Human Resources

The number of employees in the Company as on the 31st March, 20120 was 17. 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. 86,51,02,895.50/- as against Rs. 763,501,960.96 /- in the previous year.

The profit from operations before depreciation and tax is Rs 1,00,32,609.71 as against Rs. 1,18,37,562.82/- in the previous year. The net profit after depreciation, taxation is Rs. 52,85,446.74 as against Rs. 65,99,975.89 /- in the previous year.



INDEPENDENT AUDITOR'S REPORT

To
The Members of CHD CHEMICALS LIMITED

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Chd Chemicals Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equities and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Emphasis of Matter

We draw attention to Note no. 11 of the Financial Statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2020. We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures, Corporate Governance and Shareholders' Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other generally accepted accounting principles in India including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, (the order) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, based on our audit, 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 accounts 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 including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.
- (h) 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, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The Company did not have any pending litigation, which may have impact on its financial position in its financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the Year.

FOR R K DEEPAK & CO.

CHARTERED ACCOUNTANTS

Sd/-
ASIM JAIN
M.No.089331
FRN 003145N

Date: 30.06.2020
Place: Chandigarh

UDIN:2089331AAAAAN1899

Annexure A to Independent Auditor's Report

Referred to in our Independent Auditor's Report of even date to the members of CHD CHEMICALS LIMITED on the financial statements as of and for the year ended March 31, 2020, we report the following:

- i (a) The company has maintained proper records showing full particulars, including quantitative details and situation, of Property Plant and Equipment.
- (b) The Property Plant and Equipment were physically verified by the Management during the year in accordance with a regular verification programme which, in our opinion provides for physical verification of all the Property Plant and Equipment at reasonable interval. According to information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties included in Property Plant and Equipment are held in the name of the Company.
- ii. The physical verification of inventory except stocks in transit has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been dealt with in books of account. However in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. No transactions relating to Loans, Investment, Guarantees and Security has been made during the year under the provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly the provisions of clause 3 (iv) of the said Order are not applicable to the Company.
- v. In our opinion and according to information and explanations given to us the company has not accepted any deposit from the public

within the meaning of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the Rules framed thereunder. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

- vi. Pursuant to the rules by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, amounts deducted/accrued in the books of account in respect of the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Taxes, Goods and Service Tax, Duty of Customs and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Taxes, Goods and Service Tax, Duty of Customs and other material statutory dues, were in arrears as at 31st March 2020 for a period of more than 6 months from the date they became payable.

- (b) According to the information and explanations given to us the records of the Company examined by us, there are no dues of Income Tax, Goods and Service Tax and Duty of Custom which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial Institution or bank. The Company does not have any loans and borrowings from Government. Further, the Company has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) .
- x. To the best of our knowledge and according to the information and explanations given to us, No material fraud by the Company or on the Company by its officers or employees, noticed or reported during the course of our audit.

- xi. In our opinion and according to information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, wherever applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to information and explanations given to us, 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 orders are not applicable to the Company.
- xv. In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the order are not applicable to the Company.

FOR R K DEEPAK & CO.

CHARTERED ACCOUNTANTS

Sd/-

ASIM JAIN

M.No.089331

FRN 003145N

Date: 30.06.2020

Place: Chandigarh

UDIN:2089331AAAAAN1899

Annexure B to Independent Auditor's Report

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of Chd Chemicals Limited on the financial statements for the year ended March 31, 2020, we report the following:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Chd Chemicals Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI deemed to be prescribed under section 143 (10) of the Act, 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 ICAI. 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 control 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

(ii) 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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2020, based on the internal controls over financial reporting criteria established by the Company considering the essential components over 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
CHARTERED ACCOUNTANTS

Sd/-
ASIM JAIN
M.No.089331
FRN 003145N

Date: 30.06.2020
Place: Chandigarh

UDIN:2089331AAAAAN1899



CHD CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

(AMOUNT IN RS.)

	Particulars	Note No.	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019	AS AT 1ST APRIL 2018
	1	2	3	4	5
A ASSETS 1 Non-current assets (a) Property, Plant and Equipment (b) Capital work-in-progress (c) Financial Assets: (i) Investments (ii) Loans & Advances (d) Other non-current assets <div>Total Non Current Assets(A1)</div> 2 Current assets (a) Inventories (b) Financial Assets (i) Trade receivables (ii) Cash and cash equivalents (iii) Loans & Advances (d) Other current assets <div>Total Current Assets(A2)</div> <div>Total Assets(A1+A2)</div> B EQUITY AND LIABILITIES 1 EQUITY (a) Equity Share capital (b) Other Equity <div>Total Equity(B1)</div> LIABILITIES 2 Non-Current liabilities (a) Financial Liabilities (i) Borrowings (b) Provisions (c) Deferred tax liabilities (Net) (d) Other non-current liabilities <div>Total Non Current Liability(B2)</div> 3 Current liabilities (a) Financial Liabilities (i) Borrowings (ii) Trade payables (b) Other current liabilities (c) Provisions (d) Current Tax Liabilities (Net) <div>Total Current Liabilities(B3)</div> <div>Total Equity and Liabilities (B1+B2+B3)</div>					
	2A	9291826.61	12165275.30	14211282.00	
	2B	-	-	-	
	3	-	-	-	
	4	1435400.00	1435400.00	1780598.00	
	5	247101.00	894456.00	1649754.00	
		10974327.61	14495131.30	17641634.00	
	6	45170211.40	44656200.80	16317868.00	
	7	366226790.61	289754470.91	177594712.57	
	8	5396468.03	5304002.04	12477108.56	
	9	5449068.31	852234.02	946551.20	
	10	4510906.49	4668107.22	5020029.83	
		426753444.84	345235014.99	212356270.16	

SIGNIFICANT ACCOUNTING POLICIES

1

This is the Balance Sheet referred to in our report of even date.
See accompanying notes forming part of financial statement

Auditors Report

Certified in terms of our separate report of even Date

For R.K.Deepak & Co.
Chartered Accountants
Registration No.003145N

Asim Jain
Partner
Membership No.089331

Place: Panchkula
Date: 30-06-2020
UDIN:2089331AAAAAN1899

For and on behalf of Board of Directors

SD/-
Divya Kothari
(Managing Director)

SD/-
SUBHASH CHANDER
(Additional Director)

SD/-
Kamal Kumar Shah
(CFO)

SD/-
Harsimran Jit Kaur
(Company Secretary)

CHD CHEMICALS LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020				
(AMOUNT IN RS.)				
	Particulars	Note No.	2019-20	2018-19
I	Revenue From Operations	21	865102895.50	763064282.96
II	Other Income	22	467167.00	437678.00
III	Total Income (I+II)		865570062.50	763501960.96
IV	EXPENSES			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade	23	826921445.10	746082773.69
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	(514010.60)	(28338332.80)
	Excise duty		-	-
	Employee benefits expense	25	9207824.74	8479148.00
	Finance costs	26	3623025.83	3500134.19
	Depreciation and amortization expense	27	2787008.30	2926730.88
	Other expenses	28	16299167.72	21940675.06
	Total expenses (IV)		858324461.09	754591129.02
V	Profit/(loss) before exceptional items and tax (III- IV)		7245601.41	8910831.94
VI	Exceptional Items - (profit)/loss		-	-
VII	Profit/(loss) before tax (V-VI)		7245601.41	8910831.94
VIII	Tax expense:			
	(1) Current tax		2051056.72	2347269.05
	(2) Deferred tax		(138641.00)	(36413.00)
	(3) Earlier year Taxes		47738.95	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		5285446.74	6599975.89
X	Profit/(loss) from Discontinued operations (after tax)		-	-
XI	Profit/(loss) for the period (IX+X)		5285446.74	6599975.89
XII	Other Comprehensive Income:			
	A (i) Items that will not be reclassified to profit or (loss):-		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or (loss):-		-	-
	B (i) Items that will be reclassified to profit or (loss)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	-
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		5285446.74	6599975.89
XIV	Earnings per equity share (for continuing operation):			
	(1) Basic	29	0.52	0.65
	(2) Diluted	29	0.52	0.65

This is the Statement of Profit and Loss referred to in our Report of even date.

See accompanying notes forming part of financial statement

Auditors Report

Certified in terms of our separate report of even Date

For R.K.Deepak & Co.
Chartered Accountants
Registration No.003145N

Asim Jain
Partner
Membership No.089331

Place: Panchkula
Date: 30-06-2020
UDIN:2089331AAAAAN1899

For and on behalf of Board of Directors

SD/-
Divya Kothari
(Managing Director)

SD/-
SUBHASH CHANDER
(Additional Director)

SD/-
Kamal Kumar Shah
(CFO)

SD/-
Harsimran Jit Kaur
(Company Secretary)

CHD CHEMICALS LIMITED
STATEMENT OF CASH FLOW AS ON 31st MARCH 2020

(Amount in INR)

	Year Ended 31st March 2020	Year Ended 31st March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit and Loss Account	7245601.41	8910831.94
Adjusted for:		
Loss/(Profit) on sale of Fixed Assets	193753.48	-
Depreciation and amortization expenses	2787008.30	2926730.88
Interest/Dividend Income	(467167.00)	(437678.00)
Interest Expense	3623025.83	3500134.19
Operating Profit before working capital changes	6136620.61	5989187.07
Adjusted for:		
Decrease/(increase) in Trade Receivables	(76472319.70)	(112159758.34)
Decrease/(increase) in Inventories	(514010.60)	(28338332.80)
Decrease/(increase) in Loans & advances	(4596834.29)	94317.18
Decrease/(increase) in other current assets	157200.73	351922.61
(Decrease)/increase in Trade Payables	96697261.10	93469572.54
(Decrease)/increase in Other Current Liabilities & Provisions	(1668201.68)	4357548.99
	13603095.56	(42224729.82)
Cash generated from Operations	26985317.58	(27324710.81)
Income Tax Paid(Net)	(2395008.00)	(1724769.00)
Net Cash from Operating Activities	24590309.58	(29049479.81)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(149958.09)	(125426.18)
Proceeds from sale of Fixed assets	690000.00	-
Increased in non current Assets	-	-
Decrease (Increase) in Long Term Loans & Advances	-	345198.00
Interest/Dividend received	467167.00	437678.00
Net Cash (Used in) Investing Activities	1007208.91	657449.82
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Repayment) of Long Term Borrowings	(2555289.55)	(7391086.69)
Proceeds from Short Term Borrowings(Net)	(19326737.12)	22712644.35
Proceeds from Issue of share capital	-	9397500.00
Dividend Paid	-	-
Dividend Tax	-	-
Interest Paid	(3623025.83)	(3500134.19)
Net Cash (Used in) From Financing activities	(25505052.50)	21218923.47
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	92465.99	(7173106.52)
Cash & Cash equivalents at beginning of the period	5304002.04	12477108.56
Cash & Cash equivalents at end of the period	5396468.03	5304002.04

Notes:

1. Previous year figures have been regrouped / rearranged wherever necessary.
2. Negative figures have been shown in brackets.

Auditors Report

Certified in terms of our separate report of even Date

For R.K.Deepak & Co.
Chartered Accountants
Registration No.003145N

Asim Jain
Partner
Membership No.089331

Place: Panchkula
Date: 30-06-2020
UDIN:2089331AAAAAN1899

For and on behalf of Board of Directors

SD/-
Divya Kothari
Managing Director)

SD/-
SUBHASH CHANDER
(Additional Director)

SD/-
Kamal Kumar Shah
(CFO)

SD/-
Harsimran Jit Kaur
(Company Secretary)

**CHD CHEMICALS LIMITED****STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2020****A. Equity Share Capital**

Particular	No. of Share	Amount in Rs.
Balance as at 01/04/2018	8856080	88560800
Changes in equity share capital during the year (2018-19)	1253000	12530000
Balance as at 31/03/2019	10109080	101090800
Changes in equity share capital during the year (2019-20)	-	-
Balance as at 31/03/2020	10109080	101090800

B. Other Equity

Particulars	Reserves and Surplus			Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurements of net defined benefits plans		
Balance as at 01/04/2018	2709080.00	-	13377171.50		3132500.00	19218751.50
Changes in accounting policy or prior period errors			-			-
Restated balance at the beginning of the reporting period	2709080.00	-	13377171.50		3132500.00	19218751.50
Profit for the Year			6599975.89			6599975.89
Other Comprehensive Income for the year				-		-
Dividends			-			-
Dividend Tax			-			-
Transfer to retained earnings						-
Cash Proceeds/(Payments)/Converted to Equity Shares					(3132500.00)	(3132500.00)
Balance as at 31/03/2019	2709080.00	-	19977147.39	-	-	22686227.39
Changes in accounting policy or prior period errors						-
Restated balance at the beginning of the reporting period	2709080.00	-	19977147.39	-	-	22686227.39
Profit for the Year			5285446.74			
Other Comprehensive Income for the year				-		-
Dividends paid			-			-
Dividend Tax paid			-			-
Transfer to retained earnings						-
Cash Proceeds/(Payments)/Converted to Equity Shares					-	-
Balance as at 31/03/2020	2709080.00	-	25262594.13	-	-	27971674.13

Notes:

1. Previous year figures have been regrouped / rearranged wherever necessary.
2. Negative figures have been shown in brackets.

Auditors Report

Certified in terms of our separate report of even Date

For R.K.Deepak & Co.
Chartered Accountants
Registration No.003145N

Asim Jain
Partner
Membership No.089331

Place: Panchkula
Date: 30-06-2020
UDIN:2089331AAAAAN1899

For and on behalf of Board of Directors

SD/-
Divya Kothari
(Managing Director)

SD/-
SUBHASH CHANDER
(Additional Director)

SD/-
Kamal Kumar Shah
(CFO)

SD/-
Harsimran Jit Kaur
(Company Secretary)

CHD CHEMICALS LIMITED, PANCHKULA
NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

2.) PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS BLOCK							DEPRECIATION/ AMORTISATION/DEPLETION						NET BLOCK			
	AS AT	ADDITIONS	DISPOSALS/ TRANSFER	AS AT	ADDITIONS	DISPOSALS/ TRANSFER	AS AT	AS AT	FOR THE YEAR (18-19)	DISPOSALS/ TRANSFER	AS AT	FOR THE YEAR(19-20)	DISPOSALS /	AS AT	AS AT	AS AT	AS AT
	01.04.2018			31.03.2019			31.03.2020	01.04.2018			31.03.2019			31.03.2020	31.03.2020	31.03.2019	01.04.2018
A) PROPERTY, PLANT & EQUIPMENT																	
TANGIBLE ASSETS:																	
FURNITURE & FIXTURE	5461	-	-	5461	-	-	5461	2370	564	-	2933	564	-	3497	1,964.02	2528	3,091.34
OFFICE EQUIPMENTS	351067	56749	-	407816	27542	-	435359	184805	62019	-	246824	64457	-	311281	1,24,077.53	160992	1,66,261.62
VEHICLES	16853041	58338	-	16911379	-	1210678	15700701	2995356	2044957	-	5040313	1974902	326925	6688290	9012411	11871066	13857685
COMPUTERS	320012	10339	-	330351	122416	-	452767	135768	63894	-	199661	99731	-	299393	1,53,374.05	130690	1,84,244.33
SUB-TOTAL (A)	17529581	125426	-	17655007	149958	1210678	16594287	3318299	2171433	-	5489732	2139653	326925	7302461	9291827	12165275	14211282
B) CAPITAL WORK IN PROGRESS																	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL (B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DATE : 30-06-2020
PLACE : PANCHKULA

Divya Kothari
(Managing Director)
(Din:03592047)

SUBHASH CHANDER
(Additional Director)

Kamal Kumar Shah
(CFO)

Harsimran Jit Kaur
(Company Secretary)

3 NON CURRENT INVESTMENTS
 (Long term investments)

(Amount in INR)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Other Investments	-	-	-
TOTAL	-	-	-

4 LONG TERM LOANS AND ADVANCES
 (Unsecured and Considered Good)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Others			
Security Deposits	1435400.00	1435400.00	1780598.00
TOTAL	1435400.00	1435400.00	1780598.00

5 OTHER NON CURRENT ASSETS
 (Unsecured and Considered Good)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Others			
i) Deferred Revenue Expenses upto the extent not written off:			
Opening Balance	894456.00	1649754.00	2405052.00
Incurred during the year	-	-	-
Written off during the year	647355.00	755298.00	755298.00
Balance carried over	247101.00	894456.00	1649754.00
TOTAL	247101.00	894456.00	1649754.00

6 INVENTORIES*

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Finished goods	45170211.40	44656200.80	16317868.00
TOTAL	45170211.40	44656200.80	16317868.00

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

7 TRADE RECEIVABLES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
i) Secured and Considered Good	-	-	-
ii) Unsecured and Considered Good:			
a) Over Six Months	37493708.98	37337637.03	18222152.10
b) Others	328733081.63	252416833.88	159372560.47
	366226790.61	289754470.91	177594712.57
Less: Provision for Doubtful Debts	-	-	-
TOTAL	366226790.61	289754470.91	177594712.57

8 CASH & CASH EQUIVALENT

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Balances with Banks	588905.20	573037.34	8035922.86
Cash in hand	379528.83	302930.70	13151.70
Cheque in Hand	-	-	-
Fixed deposit with Bank*	4428034.00	4428034.00	4428034.00
TOTAL	5396468.03	5304002.04	12477108.56

Fixed deposit includes Rs./- as fixed deposits with Banks having maturity period of more than 12 months (Previous Year - Rs./-).

9 SHORT TERM LOANS AND ADVANCES
 (Unsecured and Considered Good)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Others			
Other loan and advances	5449068.31	852234.02	946551.20
TOTAL	5449068.31	852234.02	946551.20

10 OTHER CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Others *			
Balance with revenue authorities	3582881.49	4066677.22	4718909.83
Interest incurred but not due	928025.00	601430.00	301120.00
	4510906.49	4668107.22	5020029.83
TOTAL	4510906.49	4668107.22	5020029.83

*(Unsecured, considered good unless otherwise stated)

11 EQUITY SHARE CAPITAL

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Authorised Share Capital			
11000000 Equity Shares of Rs. 10/- each	110000000.00	110000000.00	110000000.00
Issued Subscribed and Paid up			
10109080 Equity Shares of Rs. 10/- each fully paid up*	101090800.00	101090800.00	88560800.00
TOTAL	101090800.00	101090800.00	88560800.00

* 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.

11.1 The reconciliation of the number of shares outstanding is set out below:

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Number of Shares	Number of Shares	Number of Shares
Equity Shares at the beginning of the Year	10109080.00	8856080.00	6454080.00
Add: Equity Shares Issued during the year	-	1253000.00	2402000.00
Less: Equity Shares bought back during the year	-	-	-
Equity Shares at the end of the year	10109080.00	10109080.00	8856080.00

11.2 The details of Shareholders holding more than 5% Shares

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Ms. Divya Kothari	2036636	20.15	2036636	20.15	1886636	21.30
Mr. Ankit Kothari	718090	7.10	627181	6.20	612181	6.91
M/S Ankit Trade & Investments Pvt Ltd.	1200000	11.87	1200000	11.87	865000	9.77
M/s Kothari Trade Investment P Ltd	1301050	12.87	1290000	12.76	1060000	11.97

12 LONG TERM BORROWINGS

(Amount in INR)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Non-Current	Non-Current	Non-Current
Secured			
Term Loans			
From Banks	-	479499.00	1449921.00
From Others	2052881.76	3205724.28	4440053.83
	2052881.76	3685223.28	5889974.83
Unsecured			
From Directors	-	-	-
From Other	9800000.00	9800000.00	15178807.00
TOTAL	11852881.76	13485223.28	21068781.83

12.1 Detail of Borrowing

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
I) Secured						
A) Term Loans from Banks						
i) ICICI FORTUNER CAR LOAN	-	113679.00	113679.00	704729.00	818408.00	642049.00
ii)AXIS BANK CANTER TRUCK LOAN	-	-	365820.00	265693.00	631513.00	243849.00
iii)MAHENDRA & MAHENDRA FINANCE SERVICES LTD	-	-	-	202202.88	202202.88	178145.27
IV) DAIMLER FINANCIAL SERVICES INDIA PVT LTD	2052881.76	1168124.52	3205724.28	1032126.67	4237850.95	948236.42
II) Unsecured						
i) From Directors	-	-	-	-	-	-
ii) From Others	9800000.00	-	9800000.00	-	15178807.00	-
TOTAL	11852881.76	1281803.52	13485223.28	2204751.55	21068781.83	2012279.69

13 LONG TERM PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Other Long Term Provisions	-	-	-
TOTAL	-	-	-

14 DEFERRED TAX LIABILITY (Net)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred Tax Liability Related to fixed assets	-	138641.00	175054.00
Deferred Tax Assets Unabsorbed Depreciation/disallowances under the Income Tax Act, 1961	-	-	-
TOTAL	-	138641.00	175054.00

15 OTHER LONG TERM LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Others	-	-	-
TOTAL	-	-	-

16 SHORT TERM BORROWINGS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<u>Secured</u> Working Capital Loans from Banks* Rupee Loans (Axis Bank Limited OCC)	5593745.15	24920482.27	2207837.92
TOTAL	5593745.15	24920482.27	2207837.92

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

17 TRADE PAYABLES

(Amount in INR)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Micro Small and Medium Enterprises	-	-	-
Others	281215259.37	184517998.27	91048425.73
TOTAL	281215259.37	184517998.27	91048425.73

18 OTHER CURRENT LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current maturities of long-term debts	1281803.52	2204751.55	2012279.69
Cheque issued but not presented	23735.00	35149.00	4052.00
Statutory dues	1158847.80	1569961.48	938560.49
Other provisions (expenses payable)	5487969.00	6733643.00	3038592.00
	7952355.32	10543505.03	5993484.18
TOTAL	7952355.32	10543505.03	5993484.18

19 SHORT TERM PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits	-	-	-
TOTAL	-	-	-

20 CURRENT TAX LIABILITY (NET)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
PROVISION FOR INCOME TAX	2051056.72	2347269.05	1724769.00
LESS MAT CREDIT TO BE UTILISED	- 2051056.72	- 2347269.05	- 1724769.00
TOTAL	2051056.72	2347269.05	1724769.00

21 REVENUE FROM OPERATIONS

(Amount in INR)

	2019-20	2018-19
Sale of products	865102895.50	763064282.96
Less: Rebate & Discount	-	-
TOTAL	865102895.50	763064282.96

22 OTHER INCOME

	2019-20	2018-19
Interest	467167.00	437678.00
Other Non Operating Income	-	-
Commission on Sale	-	-
Profit on Sale of Vehicle	-	-
TOTAL	467167.00	437678.00

23 PURCHASE OF STOCK IN TRADE

	2019-20	2018-19
Dyes & Chemicals	826921445.10	746082773.69
TOTAL	826921445.10	746082773.69

24 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS

	2019-20	2018-19
<u>Inventories (At commencement)</u>		
- Finished Goods	44656200.80	16317868.00
- Semi Finished Goods and Goods in process	-	-
	44656200.80	16317868.00
<u>Inventories (At Close)</u>		
- Finished Goods	45170211.40	44656200.80
- Semi Finished Goods and Goods in process	-	-
	45170211.40	44656200.80
TOTAL (Opening Stock-Closing Stock)	(514010.60)	(28338332.80)

25 EMPLOYEE BENEFITS EXPENSE

	2019-20	2018-19
Salaries,Wages and Other Incentives	9126715.00	8376474.00
Welfare Expenses	81109.74	102674.00
Contribution to Provident and Other Funds.	-	-
TOTAL	9207824.74	8479148.00

26 FINANCE COSTS

(Amount in INR)

	2019-20	2018-19
Interest on Term Loan	414053.45	619764.31
Interest on Working Capital	1981793.00	1636750.00
Other Interest	882000.00	1039287.00
Bank & Other Charges	345179.38	204332.88
TOTAL	3623025.83	3500134.19

**27 DEPRECIATION AND AMORTISATION CHARGES**

(Amount in INR)

	2019-20	2018-19
Depreciation	2139653.30	2171432.88
Amortisation- Deferred Revenue Expenditure	647355.00	755298.00
TOTAL	2787008.30	2926730.88

28 OTHER EXPENSES

(Amount in INR)

	2019-20	2018-19
<u>i)Administrative & Other Expenses</u>		
Administration Expenses	92637.41	72972.00
Charity & Donation A/C	6850.00	7100.00
Software Updation /Comuter Exp /Website Development	49914.66	7322.88
Conveyance Exp A/C	118521.00	70102.00
Electricity & Water	64798.00	50622.00
Office Repair & Maintenance	-	169273.06
Misc Expenses	25.04	35.11
Postage & Telegram Exp	43522.00	33536.00
Printing & Stationary A/C	111414.96	135046.33
Rent Account	630500.00	492000.00
Telephone Expenses	106943.22	177500.46
Tour & Travel Exp	389284.89	376680.00
Vehicle Running & Maintt	1106578.80	957389.05
Insurance	172214.25	157628.00
Certification Charges	-	97365.00
Legal & Pprofessional Exp	804720.00	2352060.00
Loss on Sale of Vehicle	193753.48	-
Roc & Other Fees	9600.00	123211.20
Rate & Taxes/Dividend Tax	-	13082.00
Fire Fighting Exp	30550.00	-
Social Welfare Exp	-	280100.00
Director Meeting Fees	159000.00	28000.00
Sundry Balance Write Off	-	1658.82
	4090827.71	5602683.91
<u>ii) Selling & Distribution Expenses :</u>		
Sampling Expenses	-	-
Sales Promotion	130999.00	112711.70
Freight Outward A/C	163531.00	103837.00
Rebate & Discount Allowed	6878750.01	8387528.85
Godown Rent	315960.00	333777.00
Sales Incentive	4351465.00	6005936.00
Lab Expense/ Testing Charges	54260.00	98440.60
Packing Expenses	154615.00	338673.00
Advertisement Exp.	108610.00	18615.00
Diwali Exp	50150.00	938472.00
	12208340.01	16337991.15
TOTAL	16299167.72	21940675.06

29 EARNINGS PER SHARE (EPS)

	2019-20	2018-19
i) Net Profit after tax as per Statement of profit and Loss attributable to Equity shareholders	5285446.74	6599975.89
ii) Weighted Average number of equity share used as denominator for calculating Basic EPS	10109080	10109080
iii) Basic Earning per share	0.52	0.65
iv) Weighted Average number of equity share used as denominator for calculating Diluted EPS as per treasury stock method	10109080	10109080
v) Diluted Earning per share	0.52	0.65
v) Face Value per equity share	10.00	10.00

30 RELATED PARTY DISCLOSURES :

As per IND AS 24, the disclosure of transactions with the related parties are given below:

i) List of related parties where control exists and related parties with whom transactions have taken place and relationship:

Name of Related Party	Relationship
Smt. Divya Kothari Shri Inder Singh Shri Ankit Kothari Shri Kamal Kumar Shah Smt. Harsimran Jit Kaur	Key Managerial Personnel
Shri Bajrang Lal Kedia Shri Vijender Singh	Independent Directors

ii) Transactions during the year with Key Managerial Personnel:

	Salary and Allowances		Reimbursements	
	2019-20	2018-19	2019-20	2018-19
Smt. Divya Kothari	600000.00	6000000.00		
Shri Inder Singh				
Shri Ankit Kothari				
Shri Kamal Kumar Shah	900000.00	900000.00		
Smt. Harsimran Jit Kaur	345000.00	312000.00		

iii) Transactions during the year with Independent Dierctors.

	Reimbursements		Sitting Fees	
	2019-20	2018-19	2019-20	2018-19
Shri Bajrang Lal Kedia			28000.00	6000.00
Shri Vijender Singh			35000.00	10000.00

31 SEGMENT INFORMATION

Primary segment information:

The Company operates in only one main segment i.e. Trading in Dyes & Chemicals

Secondary segment information:

Amount in INR

	2019-20	2018-19
Segment Revenue		
India	865102895.50	763064282.96
Overseas	-	-
TOTAL	865102895.50	763064282.96

32 CONTINGENT LIABILITIES AND COMMITMENTS*

Amount in INR

	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
(A) Claims against the Company/disputed liabilities not acknowledged as debts		
In respect of Excise Duty demand raised, which in the opinion of the Management are not tenable and are under appeal at Custom, Excise & Service Tax Appellate Tribunal, New Delhi.	Nil	Nil
(B) Guarantees		
Outstanding guarantees furnished to various banks in respect of the guarantees given by those banks in favour of various government authorities and others including Letters of Credits	25000000	25000000
Commitments		
(A) Estimated amount of contracts remains to be executed on capital account (Net of advances)	----	----

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

The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation.

DATE : 30.06.2020
PLACE : PANCHKULA

Divya Kothari Subhash Chander
(Managing Director) (Additional Director)
(Din:03592047) (Din: 08681546)

Kamal Kumar Shah
(CFO)

Harsimran Jit Kaur
(Company Secretary)

A) Reconciliation between financial results previously (referred to as the previous Accounting Standards) and the Ind AS for the Year ended 31st March 2019 is as below:

Particulars	For the Year Ended 31.03.2019
Net Profit After Tax (as per previous GAAP)	6599975.89
Add/(Less) adjustment	Nil
Profit After Tax as per Ind AS	6599975.89
Less Other comprehensive loss (net of tax)	Nil
Total comprehensive income for the period as reported under Ind AS	6599975.89

B) Reconciliation between total equity previously reported (referred to as "Previous GAAP" and Ind AS as at 31.03.2019 is as below

Particulars	For the year Ended 31.03.2019
Total Equity(Shareholder's Fund) as per Previous GAAP	123777027.39
Add/(Less) adjustment	Nil
Total Equity as per Ind AS	123777027.39

C) Reconciliation of cash flows for the year ended 31st March 2019

The adjustments as explained above are of non-cash nature and accordingly, there are no material differences in the cash flows from operating, investing and financing activities as per the erstwhile IGAAP and as per Ind AS



CHD CHEMICALS LIMITED (CHANDIGARH)

1. Corporate Information:

CHD Chemicals Limited (the Company) is a trading company. The Company is doing trading in Chemicals and Textiles..

The Company is a public limited company incorporated and domiciled in India. The address of its Registered Office is 214, Motor Market, Manimajra Chandigarh-160101.

The Financial Statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on 30th June, 2020

2. Basis for preparation, measurement and significant accounting policies

2.1 Basis for preparation and measurement

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS” as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time under the historical cost convention on the accrual basis.

Effective April 01, 2019 the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First time adoption of Indian Accounting Standards, with April 01, 2018 as the transition date*. The transition was carried out from Indian Accounting Principles Generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which were previous GAAP.

Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to existing accounting standard requires a change in the accounting policy either to in use. The financial statements are presented in Indian Rupees rounded off to the nearest rupees.

2.2 Use of estimates and judgments

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgments, estimates and assumptions. These estimates, judgments and assumptions after application of accounting policy and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 2.2.1. Accounting estimates could change from period to period. Accrual results could differ from those estimates. Appropriate changes and estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their affects are disclosed in the notes to the financial statements.

2.2.1. Critical accounting estimates

i. Revenue recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Sales are recognized when goods are supplied and the significant risks and rewards or ownership of the goods have passed to the buyer. Dividend income is accounted in the year in which it is received. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

ii. Income Taxes

Significant judgments are involved in determining the provisions for income taxes including amount expected to be paid/incurred on uncertain tax positions. Also refer Note No. 2.3(j)

iii. Property, plant and equipment

Property, plant and equipment represent a significant propotion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company’s assets determine by the

management at the time asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as change in technology.

2.3. Significant Accounting Policies

a) Property, plant and equipment:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The Cost of these assets comprise its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure relating to an item of assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. All other repairs and maintainance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains/Losses arising on disposal of property, plant and equipment are recognized in the statement of profit and loss as exceptional items.

Depreciation on fixed assets is provided on straight line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

b) Inventories:

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any except in case of by-product which are valued at net realizable value. The cost is computed on First in First out (FIFO) basis. Cost for the purpose of valuation of finished goods and goods in process is computed on the basis of cost of material, labour and other related overheads.

c) Cash and Cash Equivalents:

Cash and Cash Equivalents are short term (3 months or less from the date of acquisition), highly liquid investments that are daily convertible into cash and which are subject to and insignificant risk of changes in value.

d) Trade Receivables:

Trade receivables are recognized at fair value.

e) Impairment of Non Financial Tangible Assets:

Property, plant and equipment with finite life are evaluated for recoverability whenever there is an indication that carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

f) Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

g) Expenditure:

Expenses are accounted on accrual basis.

h) Employee Benefits:

The company is not liable to pay retirement benefits.

i) Income Taxes:

Income Tax expense for the year comprises both current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. It is recognized in the statement of profit and loss. Deferred Income Taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of early years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

j) Earnings per Share:

Basic Earnings per Share is computed by dividing profit or loss attributable to equity shareholders of the company by the weighted average number of equity share outstanding during the year.

For the purpose of calculating diluted Earnings per share, the net profit for the period attributable to equity shares and the weighted average number of equity share outstanding during the period is adjusted for the effect of all dilutive potential equity shares.

k) Cash Flow Statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 “Statement of Cash Flows” using the Indirect Method for operating activities.

l) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Foreign Currency Transactions

No Transaction in Foreign Currency.

n) 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. LEASES

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

5. SEGMENT REPORTING

The Company is in single business segment of Trading.

6. 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.

7. **RELATED PARTY DISCLOSURES**

Disclosures as required by Ind As 24“Related Party Disclosures” 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 st March, 2020	31 st March, 2019
Transaction during the year	Amount	
REMUNERATION		
DIVYA KOTHARI	6.00	6.00
SATYAVEER SINGH KOTHARI	12.00	12.00
DIRECTOR SITTING FEE		
BAJRANG LAL KEDIA	0.28	0.6
VIJENDER SINGH	0.35	0.10
RENT PAID		
ANKIT KOTHARI	2.04	2.03
M/S PAN ORGANICS INDUSTRIES	1.44	1.44

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

11. The accelerated outbreak of Coronavirus (Covid-19) across the globe and in India, has substantially disrupted the economic activities with high uncertainty. On 11th March 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization (WHO). Consequent to this, Government of India declared lockdown on 24th March 2020, which was further extended from time to time. In line with Government directive, the Company had temporarily shut down its operations since 23rd March 2020, impacting sales and profit of the Company. Operations of the company has gradually started resuming during May 2020. Since the resumption of normal business operations are also dependent on future directives from the Government including future implications of the pandemic on the people and economy, the forthcoming situation is not known as of now and will be closely monitored by the Company to assess for any material implication.

AS PER OUR REPORT OF EVEN DATE ATTACHED.
FOR R K DEEPAK & CO.
CHARTERED ACCOUNTANTS

Sd/-
ASIM JAIN
M.No.089331
FRN 003145N

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

Sd/-
Subhash Chander
(Additional Director)
(Din: 08681546)

Sd/-
Kamal Kumar Shah
CFO

Sd/-
Harsimran jit kaur
Company Secretary