



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

**CHD CHEMICALS LIMITED**

**2021-2022**

## Corporate Information

### BOARD OF DIRECTORS

MS. DIVYA KOTHARI  
Mr. ANKIT KOTHARI  
Mr. SUBHASH CHANDER  
Mr. VIJENDER SINGH  
Mr. SHASHI SINGLA

### AUDITORS

MR. SIDHARTH GUPTA  
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](http://www.chdchemicals.com)  
CIN No.: L24232CH2012PLC034188

### CORPORATE OFFICE:

Plot No 331, Industrial Area  
Phase II, Panchkula  
Haryana

### REGISTRARS & TRANSFER AGENT

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

Book Closure: Date: 24<sup>th</sup> September , 2022 to 30th September , 2022(both days inclusive).

## NOTICE

NOTICE is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of **CHD CHEMICALS LIMITED** will be held on **Friday, 30th September, 2022 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 31<sup>st</sup> March, 2022

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2022, 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.

#### Item No 3: To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Sixth consecutive Annual General Meeting and to fix their remuneration:

RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made there under and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. DSP & ASSOCIATES Chartered Accountants (Registration No 06719N), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of Sixth consecutive Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursment of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.

### SPECIAL Business

#### **4. To Increase the Remuneration of the Managing Director:**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Ordinary RESOLUTION:

**"RESOLVED THAT** pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded to revise in the remuneration of Ms. Divya Kothari (DIN: 03592047 Managing Director of the company from Rs 50000/- to Rs 1,50,000 w.e.f 14<sup>th</sup> August, 2022 for a period of three years.

**FURTHER RESOLVED THAT** the overall managerial remuneration payable to Ms Divya Kothari shall be such amount as may be fixed by the Board from time to time on the recommendation of the terms and conditions of the aforesaid remuneration payable to the said Managing Director be varied/alterd/revised within the said overall limit in such manner as may be required during aforesaid period of three years.

**FURTHER RESOLVED THAT** where in any financial year during the tenure of the said Managing Director the company has no profits or profits are inadequate the aforesaid remuneration or remuneration as may be approved by the Borad of Directors of the Company from time to time shall be paid as minimum remuneration.

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

SD/-

DIVYA KOTHARI  
Managing Director

DIN – 03592047

Place: Panchkula

Dated: 2<sup>nd</sup> September, 2022

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

**ITEM NO: 4**

As per Section 197 of the Companies Act, 2013, total managerial remuneration payable by the Company to its directors, including managing director and whole-time director and its manager in respect of any financial year may be given to maximum permissible limit as per the provisions laid down in Section 198 of the Companies Act, 2013, provided that the same has been approved by the shareholders of the Company by way of Ordinary Resolution/Special Resolution.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 14.08.2022 recommended to increase the managerial remuneration payable by the Company.

Accordingly, the Board recommends the resolution set out at item no. 4 for approval of members as Ordinary resolution

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Ms. Divya Kothari, is in any way concerned or interested, in the said resolution.

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

Ms. Divya Kothari has been reappointed as Managing Director with effect from 15.12.2020 for a period of Five Years by the board of the Company in the Annual General Meeting Held on 30<sup>th</sup> December, 2020

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	2019-20	2020-21	2021-22
Turnover	8651.02	6922.92	3153.71
Net Profit	72.45	10.47	23.19
Net profit as per profit And loss Account	72.45	10.47	23.19
Tax	19.60	4.92	6.79
Profit After Tax	52.85	5.55	16.40
Equity Share Capital	1010.90	1010.90	1010.90

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

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

Nomination & Remuneration Committee.

#### 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 30th December, 2020 considered and decided to reappoint Ms. Divya Kothari with increased role and responsibility by elevating her as the Managing Director of the company. The term of her reappointment as Managing Director for a period of 5 years from 15th December, 2020 to 14th December, 2025.

Ms. Divya Kothari (DIN: 03592047), aged 32 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

##### (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:** Rs 1,50,000/-

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

Besides, the remuneration proposed and holding 986636 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.

Share Holder in the Company holding 75000 shares.

**(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 986636 Shares , Mr. Ankit Kothari, Brother of Ms. Divya Kothari, additional Director on the board and holder of 666997 shares in the Company and Mrs. Kitabwati Kothari, Mother of Ms. Diva Kothari,



## NOTES

In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos.14/2020, 17/2020, 20/2020,02/2021, 21/2021 and 2/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 respectively (collectively referred to as "MCA Circulars") permitted the holding of AGM's by Companies, through Video Conferencing / Other Audio-Visual facility (VC/OAVM), up to December 31, 2022 without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ('SEBI') also issued Circular Nos . SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 (collectively referred to as "SEBI Circulars"). In compliance with MCA Circulars, SEBI Circulars, provisions of the Act and the SEBI Listing Regulations, the AGM of the Company is being conducted through VC/OAVM Facility, which does not require the physical presence of members. The deemed venue for the AGM shall be the Registered Office of the Company

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. Members attending the AGM through VC / OAVM shall be counted to reckon the quorum under Section 103 of the Act.

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 2021-22, 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.chdchemicals.com](http://www.chdchemicals.com) and on website of the Stock Exchange at [www.bseindia.com](http://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 Saturday, 24<sup>th</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022(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 Friday, 23rd September, 2022.

**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 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.

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.

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.chdchemicals.com](http://www.chdchemicals.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). 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](http://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.

8. In continuation of this Ministry's General Circular No. 02/2022, dated 05th May, 2022 and after due examination, it has been decided to allow companies whose AGM's become due in the year 2022, to conduct their AGM's on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020.

#### **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

1. The voting period begins on 27.09.2022 at 9.00 A.M and ends on 29.09.2022 at 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 23.09.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System My easi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>



Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

5. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

ii. Click on "Shareholders" module.

iii. 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.

iv. Next enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

vi. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	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)	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. 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.

6. After entering these details appropriately, click on "SUBMIT" tab.
7. 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.
8. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
10. 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.
11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. 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.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
15. 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.
- 16. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - 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 viz;

cs@ccichd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 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 \_\_\_ 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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.
10. 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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 update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no 1800 22 55 33

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

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

SD/-  
DIVYA KOTHARI  
MANAGING DIRECTOR  
DIN – 03592047

Place: Panchkula  
Dated: 2nd September, 2022

## DIRECTORS' REPORT

### 3. MATERIAL CHANGES AND COMMITMENTS

Dear Members,

Your Directors take great pleasure in presenting the 10th Annual Report of **CHD CHEMICALS LIMITED** the "Company" on business and operations of the Company along with the audited financial statements of accounts for the financial year ended 31<sup>st</sup> March 2022.

### 1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended March 31, 2022 is summarized below:

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

Amount in Lacs.

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Total Income	3153.70	6922.92
Total Expenditure	3133.46	6912.44
Earnings before Finance Cost, Depreciation & Amortization and Tax	85.73	71.53
Less: Finance Cost	46.64	38.09
Less: Depreciation & Amortization	15.89	22.97
Profit before tax	23.19	10.47
Provision for Tax/ (Deferred tax)	6.79	4.92
Comprehensive Income	16.41	5.55

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

- The company is engaged in the business of trading of chemicals and dyes.
- The Total revenue for the Current year is Rs. 3153.70 lacs in comparison to Last year's revenue i.e. Rs. 6922.92 Lacs
- The Profit in the Current year is Rs.16.41 in comparison to Rs. 5.55 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.

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 2021-22,

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	:	NIL
B	Remained unpaid or unclaimed as at the end of the year	:	
C	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so (default), number of such cases and the total amount involved	:	

i. at the beginning of the year	:	
ii. maximum during the year	:	
iii. at the end of the year	:	

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

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

**8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Directors**

Mr Bajrang Lal Kedia (DIN No 07339265) resigned from the post of directorship with effect from 24<sup>th</sup> January, 2022.

Mr Shashi Singla has been appointed as an additional non executive independent director of the company with effect from 01.02.2022 and has been regularize in the Extra Ordinary General meeting held on 10<sup>th</sup> March, 2022

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr Subhash Chander (DIN No 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**

Ms Harsimran Jit Kaur, Company Secretary has resigned from the post with effect from 27<sup>th</sup> January, 2022.

Mr Kamal Kumar Shah, CFO of the company has resigned from the post with effect from 24<sup>th</sup> January, 2022

Mr Kartik Bhati Has been appointed as a company secretary in the company with effect from 1s February, 2022.

**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 details of the Number of Meetings of the Board held during the financial year 2021-22 form part of the Corporate Governance

**10. DECLARATION BY INDEPENDENT DIRECTORS**

Mr. Vijender Singh, Mr. Bajrang Lal Kedia, and Mr Shashi Singla, 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, Mr. Bajrang Lal Kedia and Mr shashi Singla.

**11. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2022, 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, 2022 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 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 EGM held on 10th march, 2022 the Members approved appointment of D S P & Associates, Chartered Accountants (Firm Registration No. 006791N) as Statutory Auditors of the Company to hold office for financial year

2021-2022 from the conclusion of EGM to the conclusion of Annual General Meeting to be held for the financial year 2021-22 . resolution is proposed in the notice of annual general meeting for the appointment of auditor.

## 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, 2021 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 2021-22

**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 2021-22.

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 2020-21

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

No disclosure under section 197(14) of the Companies Act, 2013 is required. Company has no Holding or Subsidiary company as on 31<sup>st</sup> March, 2021.

**34. Dividend**

No dividend has been declared by the company during the financial year 2021-22

**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. OTHER DISCLOSURES**

- a. There was no revision of financial statements and Board's Report of the Company during the year under review
- b. There has been no change in the nature of business of the Company as on the date of this report
- c. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- d. The requirement to disclose the details of the difference between the amount of valuation done at the time of onetime settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

**38. 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  
Director  
DIN -06883692**

**Place: Panchkula  
Dated: 02nd September, 2022**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the financial year ended March 31, 2022**

*[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.**  
**R/o: 214 MOTOR MARKET MANIMAJRA, CHANDIGARH.**  
**C/o: PLOT NO 331, INDUSTRIAL AREA,**  
**PHASE II, Panchkula, HR. - 134113.**

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, 2022, 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, 2022, 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.

**Other Matters**



**CHD CHEMICALS LIMITED**

*Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by management through digital means.*

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

**For Neeraj Jindal & Associates  
Company Secretaries**

**Date: 30.08.2022  
Place: Mohali.**

**Sd/-  
CS. Neeraj Jindal  
M.No. F8270  
CP. No. 9056  
UDIN: F008270D000874003**

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

Dear Sir / Madam,

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Neeraj Jindal & Associates  
Company Secretaries  
Sd/-**

**Date: 30.08.2022  
Place: Mohali.**

**CS. Neeraj Jindal  
M.No. F8270  
CP. No. 9056  
UDIN: F008270D000874003**

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>ANKIT KOTHARI</b> <b>BROTHER OF MANAGING DIRECTOR</b>
b)	Nature of contracts/arrangements/transaction	<b>GUEST HOUSE AGREEMENT</b>
c)	Duration of the contracts/arrangements/transaction	<b>11 MONTHS</b>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<b>GUEST HOUSE TAKEN ON RENT FROM MR ANKIT KOTHARI</b>
e)	Date of approval by the Board	<b>19.04.2021</b>
f)	Amount paid as advances, if any	<b>NIL</b>

**FOR CHD CHEMICALS LIMITED**

SD/-

**Divya Kothari**  
**Managing Director**  
**DIN – 03592047**

SD/-

**Ankit Kothari**  
**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, 2022

[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 ( <i>Specify if there is no change</i> )                                     | As per Attachment E |
| iv) Shareholding Pattern of top ten Shareholders (other than Directors, and Promoters and holders of GDRs and ADRs) | As per Attachment F |
| v) Shareholding of Directors and Key Managerial Personnel   | As per Attachment G |

**V. INDEBTEDNESS**

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

As per Attachment H

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2036636	0	2036636	20.15%	986636	0	986636	9.76%	-10.39%
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
<b>SUB - TOTAL (A) (1)</b>	<b>2036636</b>	<b>0</b>	<b>2036636</b>	<b>20.15%</b>	<b>986636</b>	<b>0</b>	<b>986636</b>	<b>9.76%</b>	<b>-10.39%</b>
<b>(2) Foreign</b>									
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
<b>SUB - TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+ (A)(2)</b>	<b>2036636</b>	<b>0</b>	<b>2036636</b>	<b>20.15%</b>	<b>986636</b>	<b>0</b>	<b>986636</b>	<b>9.76%</b>	<b>-10.39%</b>
<b>B PUBLIC SHAREHOLDING</b>									
<b>1 Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	20131	0	20131	0.19%	20131	0	20131	0.19%	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 <b>MARKET MAKER</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB - TOTAL (B) (1)</b>	20131	0	20131	0.19%	20131	0	20131	0.19%	0.00
<b>2. Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	1300530	0	1300530	12.86%	1129601	0	1129601	11.17%	-1.69%
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	4065294	0	4065294	40.21	5465124	7	5465131	54.06%	+13.85%
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2417191	40954	2458145	24.32%	2202387	40954	2243341	22.19%	-2.13%
<b>c) Others specify</b>									
<b>HUF</b>	132058	68636	200694	1.98%	127024	35909	162922	1.61%%	-0.37
<b>NRI</b>	16428	0	16428	0.16%	57279	0	57279	0.56%	+0.40
<b>Clearing Members</b>	11222	0	11222	0.11%	44028	0	44028	0.43%	+0.32
<b>SUB - TOTAL (B) (2)</b>	7942723	109590	8052313	79.65%	9025443	76863	9102313	90.04%	+10.39%
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)</b>	7962854	109590	8072444	79.85%	9045574	0	9122444	90.24%	+10.39%
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS&amp; ADRS</b>	0	0	0	0	0	0	0	0	0
<b>GRANDTOTAL (A+B+C) 1</b>	9999490	109590	10109080	100%	10032210	76870	10109080	100%	NA

**ATTACHMENT D**
**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2021)			Shareholding at the end of the year (As on 31-03-2022)			
		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	986636	9.76%		-10.39%
	<b>Total</b>	<b>2036636</b>	<b>20.15%</b>	<b>0</b>	<b>2036636</b>	<b>20.15%</b>		

**ATTACHMENT E**
**(iii) Change in Promoters' Shareholding**

Sl. No.	Name	Shareholding at the beginning of the year (As on 01-04-2021)/ at the end of the year 31.03.2022		Date	Increase / Decrease in Promoters Shareholding	Reason	Cumulative Shareholding at the beginning of the year (As on 01-04-2021)/ at the end of the year 31.03.2022	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Divya Kothari	2036636	20.15%	11.06.2021	-1050000	Sale in open Market	986636	9.76%
		986636	9.76%	31.03.2022				

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

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	SENTHILKUMAR MOHANAPRIYA				
	At the beginning of the year 01-Apr-2021	87097	0.8615	87097	0.8615
	Purchase 11-Jun-2021	52478	0.5191	139575	1.3806
	Sale 30-Sep-2021	-1	0.0000	139574	1.3806
	Sale 14-Jan-2022	-1000	0.0098	138574	1.3707
	Sale 21-Jan-2022	-3001	0.0296	135573	1.3411
	Sale 28-Jan-2022	-5167	0.0511	130406	1.2899
	Sale 04-Feb-2022	-3107	0.0307	127299	1.2592
	Sale 11-Feb-2022	-2392	0.0236	124907	1.2355
	Sale 03-Mar-2022	-3000	0.0296	121907	1.2059
	At the end of the Year 31-Mar-2022	121907	1.2059	121907	1.2059
2	HIREN RAJESHBHAI CHODAVADIYA				
	At the beginning of the year 01-Apr-2021	58001	0.5737	58001	0.5737
	Sale 16-Jul-2021	-58001	0.5737	0	0.0000
	At the end of the Year 31-Mar-2022	0	0.0000	0	0.0000
3	KAMAL KUMAR SHAH				
	At the beginning of the year 01-Apr-2021	55909	0.5530	55909	0.5530
	Sale 11-Jun-2021	-55909	0.5530	0	0.0000
	At the end of the Year 31-Mar-2022	0	0.0000	0	0.0000
4	KANUMURI MURALI KRISHNA CHOUDHURY				
	At the beginning of the year 01-Apr-2021	51460	0.5090	51460	0.5090
	At the end of the Year 31-Mar-2022	51460	0.5090	51460	0.5090

5	AAPURTI FINANCE LIMITED				
	At the beginning of the year 01-Apr-2021	50000	0.4946	50000	0.4946
	At the end of the Year 31-Mar-2022	50000	0.4946	50000	0.4946
6	NAVEEN O P				
	At the beginning of the year 01-Apr-2021	48040	0.4752	48040	0.4752
	Sale 15-Oct-2021	-2000	0.0197	46040	0.4554
	Sale 22-Oct-2021	-41828	0.4137	4212	0.0416
	Sale 29-Oct-2021	-4212	0.0416	0	0.0000
	At the end of the Year 31-Mar-2022	0	0.0000	0	0.0000
	HAVING SAME PAN				
6	NAVEEN NAVEEN				
	At the beginning of the year 01-Apr-2021	5599	0.0553	5599	0.0553
	Sale 08-Oct-2021	-1000	0.0098	4599	0.0454
	Sale 15-Oct-2021	-1000	0.0098	3599	0.0356
	Sale 22-Oct-2021	-3500	0.0346	99	0.0009
	Sale 29-Oct-2021	-99	0.0009	0	0.0000
	Purchase 07-Jan-2022	10	0.0000	10	0.0000
	At the end of the Year 31-Mar-2022	10	0.0000	10	0.0000
7	KOTHARI & SONS HUF .				
	At the beginning of the year 01-Apr-2021	47439	0.4692	47439	0.4692
	Sale 16-Apr-2021	-18734	0.1853	28705	0.2839
	Sale 23-Apr-2021	-15327	0.1516	13378	0.1323
	Sale 30-Apr-2021	-13378	0.1323	0	0.0000
	At the end of the Year 31-Mar-2022	0	0.0000	0	0.0000
8	VIVEK BADESRA				
	At the beginning of the year 01-Apr-2021	40954	0.4051	40954	0.4051
	At the end of the Year 31-Mar-2022	40954	0.4051	40954	0.4051

9	SUBRAMANAYAM ITTA				
	At the beginning of the year 01-Apr-2021	40001	0.3956	40001	0.3956
	Sale 07-May-2021	-100	0.0009	39901	0.3947
	At the end of the Year 31-Mar-2022	39901	0.3947	39901	0.3947
10	HARSH BHUSHAN KHATTAR JT1 : SUDHIR BHUSHAN				
	At the beginning of the year 01-Apr-2021	38000	0.3758	38000	0.3758
	Sale 12-Nov-2021	-38000	0.3758	0	0.0000
	At the end of the Year 31-Mar-2022	0	0.0000	0	0.0000
	<b>TOP 10 AS ON (31-Mar-2022)</b>				

**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 01.04.2021/ end of the year 31.03.2022		Shareholding during the year (01-04-2021 to 31-03-2022)			Cumulative Shareholding during the year (01-04-2021 to 31-03-2022)	
		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%	11.06.2021	-1050000	SELL IN OPEN MARKET	986636	9.76%
		986636	9.76%					
2.	ANKIT KOTHARI DIRECTOR	718090	7.10%	18.06.2021	-51113	SELL IN OPEN MARKET	666977	6.59%
		666977	6.59%					
4.	KAMAL KUMAR SHAH CHIEF FINANCIAL OFFICER	55909	0.55%	11.06.2021	-55909	SELL IN OPEN MARKET	NIL	

**ATTACHMENT H**
**V. INDEBTENDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	<i>Amount (INR)</i>			
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year (01.04.2021)</b>				
i) Principal Amount	4,07,43,061.00	2,15,45,000.00	0.00	62,288,061.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>TOTAL (i+ii+iii)</b>	<b>4,07,43,061.00</b>	<b>2,15,45,000.00</b>	<b>0.00</b>	<b>62,288,061.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	136146000.00	0.00	136146000.00
Reduction	9251145.3	0.00	0.00	9251145.3
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year (31.03.2022)</b>				
i) Principal Amount	3,14,91,915.73	15,76,91,000.00	0.00	189182916.00
ii) Interest due but not paid -	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>TOTAL (i+ii+iii)</b>	<b>3,14,91,915.73</b>	<b>15,76,91,000.00</b>	<b>0.00</b>	<b>189182916.00</b>

**ATTACHMENT I**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount in Rs.
		DIVYA KOTHARI MANAGING DIRECTOR			
1.	Gross salary	600000			600000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisite u/s 17(2) of the Income Tax 1961	0			0
	(c) Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	0			0
2.	Stock Option	0			0
3.	Sweat Equity	0			0
4.	Commission - as % of profit - as others, specify	0			0
5	Others, please specify	0			0
	<b>TOTAL (A)</b>	<b>600000</b>			<b>600000</b>
	<b>Ceiling as per the Act</b>	(Remuneration as per the provisions of Section II, Table A of Schedule V of the Companies Act, 2013 approved by members)			

**ATTACHMENT J**
**B. Remuneration to other Directors: NIL**

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

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

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

Sl. No.	Particulars of Remuneration	COMPANY SECRETARY HARSIMRAN JIT KAUR (RESIGNED)	COMPANY SECRETARY KARTIK BHATIA (JOINED ON 01.02.2022)	CFO KAMAL KUMAR SHAH	Amount in Rs. Total Amount
1.	Gross salary	400000	44000	750000	1190000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others				
5.	Others – please specify  Bonus Ex Gratia Incentive				
	<b>Total</b>	<b>400000</b>	<b>44000</b>	<b>750000</b>	<b>1190000</b>

**ATTACHMENT L**  
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

**Annexure "III" to Directors' Report for the year ended 31st March, 2022****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
<b>Electricity:</b>		
Purchased Unit (million)		
Total Amount (Rs.million)		
Rate/Unit		

**Electricity:**

Purchased Unit (million)

Total Amount (Rs.million)

Rate/Unit

**Furnace Oil:**

Purchased Unit (million)

Qty (Kilo Ltrs)

Total Amount (Rs. Millions)

Rate/Unit

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

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

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

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

- 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 01.04.21- 31.03.22	Previous Year 01.04.20- 31.03.21
Export of Goods calculated on FOB Basis		
Interest and dividend		
Royalty		
Know-how	<b>NIL</b>	<b>NIL</b>
Professional and Consultancy fees		
Other Income		
Total earning in foreign exchange		

Details of expenditure in foreign exchange: nil

Particulars	Current Year 01.04.21- 31.03.22	Previous Year 01.04.20- 31.03.21
Import of Capital Goods calculated on CIF Basis:		
(i) raw material		
(ii) component and spare parts		
(iii) capital goods – Software Purchase		
Expenditure on account of:	<b>NIL</b>	<b>NIL</b>
Royalty		
Know-how		
Professional and Consultancy fees		
Interest		
Other matters		
Dividend paid		
Total expenditure in foreign exchange		

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

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

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

S.No	Name of Directors	Remuneration	% Increase in Remuneration	Ratio of remuneration of each Director/ to Median remuneration of employees
1	Divya Kothari (Managing Director)*	600000	NA	1.12
2	Subhash Chander (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
6	Shashi Singla (Independent Director)	NIL	NIL	NIL

**(2) The median remuneration of employees of the Company during the financial year** was Rs. 5,39,000/-

**(4) The number of permanent employees on the rolls of company as on 31st March, 2022** was 10.

**(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	<b>No change</b>
2.	Kamal kumar Shah	CFO	750000	<b>No change *</b>
3.	Harsimran Jit Kaur	Company Secretary	400000	<b>No change *</b>

- CFO and Company Secretary has resigned from their respective post with effect 24<sup>th</sup> January, 2022 and 27<sup>th</sup> January, 2022

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

Profit Before Tax increase by 121.49% and Profit After Tax increased by 195.50% in the financial year 2021-22, compared to profit in previous financial year. The average increase of 10% in the median remuneration of the comparable employees during the financial year. During the year there was no change in the remuneration of the employees. But CFO and CS has resigned from their post in January 2022 due to which median remuneration has been increased.

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

Median remuneration of employees during the financial year 2021-2022 was 5,39,000 as compared to 490,000 previous financial year. This change of no of employees



has increase the average remuneration of the employees.

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

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

(a) The market capitalization as on March 31, 2022 was Rs. 798.62 Lacs .

(b) Price Earnings ratio of the Company was 338 as at March 31, 2021 and as on March 31, 2022 it was 49.38

Closing date of Financial Year	Issued Capital (shares)	Closing Market Price Per Shares	EPS	PE Ratio	Mrket Capitaliza tion (Rs Lacs)
31.03.2021	10109080	16.9	0.05	338	1708.43
31.03.2022	10109080	7.9	0.16	49.38	798.62
Increase/ Decrease	0.00	-9	0.11	-288.65	-909.82
% Increase/ Decrease	0.00	-53.25%	220%	-85.39%	-53.25%

**(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 2020-21 was 17.50 Lakhs . where as the Profit Before Tax increased by 121.49% and Profit After Tax increased by 195.5% in the financial year 2021-22.

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

Average percentile increase in the salaries of employees in the Financial Year 2021-22 other than the

MD & CEO was 2.93% and the salary of MD is fixed so there is no change in the percentile of MD remuneration.

**(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	No change in the remuneration of KMP's where as the Profit Before Tax increased by 121.49% and Profit After Tax increased by 195.50% in the financial year 2021-22.
2.	Kamal Kumar Shah	750000	
3.	Harsimran Jit Kaur	400000	

**(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, 2021:

Category	Name of the Directors	Designation	No of Shares held
<b>Promoter</b>	Divya Kothari	Managing Director	986636
	Ankit Kothari	Director	666977
	Subhash Chander	Director	NIL
<b>Independent Director</b>	Shashi Singla	Director	NIL
	Vijender Singh	Director	NIL

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

<b>1</b>	<b>19.04.2021</b>
<b>2</b>	<b>29.04.2021</b>
<b>3</b>	<b>04.06.2021</b>
<b>4</b>	<b>14.08.2021</b>
<b>5</b>	<b>06.09.2021</b>
<b>6</b>	<b>13.11.2021</b>

<b>7</b>	<b>11.12.2021</b>
<b>8</b>	<b>25.01.2022</b>
<b>9</b>	<b>28.01.2022</b>
<b>10</b>	<b>01.02.2022</b>
<b>11</b>	<b>10.02.2022</b>
<b>12</b>	<b>14.02.2022</b>
<b>13</b>	<b>30.03.2022</b>
<b>14</b>	<b>31.03.2022</b>

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	11	Yes	1	-	-
2.	Ankit Kothari	NON EXECUTIVE DIRECTOR	11	Yes	NA	-	-
3.	Subhash Chander	NON EXECUTIVE DIRECTOR	7	Yes	NA	--	-
4.	VIJENDER SINGH	NON EXECUTIVE INDEPENDENT DIRECTOR	14	Yes	NA	-	-
5.	BAJRANG LAL KEDIA	NON-EXECUTIVE INDEPENDENT DIRECTOR	7	Yes	NA	-	-
6.	SHASHI SINGLA	NON-EXECUTIVE INDEPENDENT DIRECTOR	2	NA	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	9	9
2	MR. BAJRANG LAL KEDIA*	MEMBER	9	7
3	MS. DIVYA KOTHARI	MEMBER	9	7
4	MR SHASHI SINGLA**	MEMBER	9	1

- \*Mr Bajrang Lal Kedia resigned from the post of directorship with effect from 24<sup>th</sup> Januray, 2022
- \*\* Mr Shashi Singla appointed as Independent Director of the company with effect from 1<sup>st</sup> February, 2022

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

<b>1</b>	<b>19.04.2021</b>
<b>2</b>	<b>04.06.2021</b>
<b>3</b>	<b>14.08.2021</b>
<b>4</b>	<b>06.09.2021</b>
<b>5</b>	<b>13.11.2021</b>
<b>6</b>	<b>11.12.2021</b>
<b>7</b>	<b>19.01.2022</b>
<b>8</b>	<b>14.02.2022</b>
<b>9</b>	<b>30.03.2022</b>

## ROLE OF AUDIT COMMITTEE

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or

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

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

22. Review the Financial Statements of its subsidiary company, if any.

23. Review the composition of the Board of Directors of its Subsidiary Company, if any.

24. Review the Vigil mechanism (whistle blowing) policy.

25. Examination of the financial statement and the auditors' report thereon;

26. Approval or any subsequent modification of transactions of the company with related parties;

27. Scrutiny of inter-corporate loans and investments;

28. Valuation of undertakings or assets of the company, wherever it is necessary;

29. Evaluation of internal financial controls and risk management systems;

30. Monitoring the end use of funds raised through public offers and related matters.

31. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

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

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the year ended on 31st March, 2022, 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	8	7
2	MR. BAJRANG LAL KEDIA*	MEMBER	8	4
3	MR. Ankit Kothari	MEMBER	8	6

4	MR SHASHI SINGLA**	MEMBER	8	1
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- \*Mr Bajrang Lal Kedia resigned from the post of directorship with effect from 24<sup>th</sup> January, 2022
- \*\* Mr Shashi Singla appointed as Independent Director of the company with effect from 1<sup>st</sup> February, 2022

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	08.04.2021
2	29.04.2021
3	15.07.2021
4	14.08.2021
5	14.10.2021
6	19.01.2022
7	20.01.2022
8	30.03.2022

#### **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 31-03-2021 - 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 31-03-2022 - 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	08.04.2021
2	29.04.2021
3	15.07.2021
4	14.08.2021
5	14.10.2021
6	25.01.2022
7	28.01.2022
8	01.02.2022

During the year ended on 31st March, 2022, 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	8	5
2	MR. BAJRANG LAL KEDIA*	MEMBER	8	7
3	MR. Ankit Kothari	MEMBER	8	4
4	MR SHASHI SINGLA**	MEMBER	8	1

- \*Mr Bajrang Lal Kedia resigned from the post of directorship with effect from 24<sup>th</sup> Januray, 2022
- \*\* Mr Shashi Singla appointed as Independent Director of the company with effect from 1<sup>st</sup> February, 2022

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

- The remuneration committee recommends to the board the compensation terms of the executive directors.

- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

### (3) INDEPENDENT DIRECTOR MEETINGS

#### (a) Performance evaluation criteria for independent directors.

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

#### (b) Composition

- Mr. Bajrang Lal Kedia
- Mr. Vijender Singh

### (4) GENERAL BODY MEETINGS

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

YEAR	VENUE	DATE	TIME
2017	Hotel Solitaire, Chandigarh	29 <sup>th</sup> September, 2017	11.00 A.M
2018	Hotel Solitaire, Chandigarh	29 <sup>th</sup> September, 2018	11.30 A.M
2019	Hotel Solitaire, Chandigarh	30 <sup>th</sup> September, 2019	11.30 A.M
2020	Registered Office	30 <sup>th</sup> December, 2020	11.30 A.M
2021	Video Conferencing	30 <sup>th</sup> September, 2021	12.00 P.M

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

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

**(5) GENERAL INFORMATION TO SHARE HOLDERS**

**i. ANNUAL GENERAL MEETING:**

**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 Friday, 23rd day of September, 2022 shall be eligible to participate in the e-voting.

Date	Time	Venue
30 <sup>th</sup> September, 2022	10.30 A.M	<b>Hotel Solitaire</b> ,SCO No. 902 - 903, N.A.C, Housing Board Chowk, Manimajra, Chandigarh, 160101

**ii. FINANCIAL CALANDER**

<b>Financial Year</b>	April 1, 2021 to March 31, 2022
<b>Book Closure</b>	The Register of Members of the Company shall remain closed from the, Saturday, 24th September, 2022 to Friday, 30 <sup>th</sup> September, 2022 (both days inclusive).

**iii DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

As on March 31, 2022, 99.24% of the Company's shares were held in dematerialized form and the remaining 0.76 % in physical form. The break up is listed below:

Category	No Of Shares Held	Shareholding(%)
<b>PHYSICAL</b>	<b>76870</b>	<b>0.76%</b>
<b>ELECTRONIC IN NSDL</b>	<b>3845861</b>	<b>38.04%</b>
<b>ELECTRONIC IN CDSL</b>	<b>6186349</b>	<b>61.19%</b>
	<b>10109080</b>	<b>100%</b>

**iv DISTRIBUTION OF SHAREHOLDINGS**

<b>SHARE OR DEBENTURE HOLDINGS</b>				
<b>Shares</b>	<b>Number</b>	<b>% of total</b>	<b>Shares</b>	<b>% of total</b>
10 - 5000	7028	74.03%	1015163	10.04%
5001 - 10000	1153	12.14%	969809	9.59%
10001 - 20000	617	6.49%	932487	9.22%
20001 - 30000	234	2.46%	602966	5.96%
30001 - 40000	124	1.30%	435727	4.31%
40001-50000	89	0.94%	425165	4.20%
50001-100000	166	1.75%	1230415	12.17%
100001-above	82	0.86%	4497350	44.48%
<b>Total</b>	<b>9493</b>	<b>100%</b>	<b>10109080</b>	<b>100</b>

**v CATEGORIES OF SHAREHOLDING:**

<b>Categories</b>	<b>No of shares held</b>	<b>Percentage of shareholding</b>
<b>PROMOTER</b>	<b>986636</b>	<b>20.15%</b>
<b>BODY CORPORATE</b>	<b>1129601</b>	<b>12.86%</b>
<b>RESIDENT</b>	<b>7871405</b>	<b>66.52%</b>
<b>NRI</b>	<b>57279</b>	<b>0.16%</b>
<b>CLEARING MEMBER</b>	<b>44028</b>	<b>0.11%</b>
<b>Bank</b>	<b>20131</b>	<b>0.19%</b>
<b>TOTAL</b>	<b>10109080</b>	<b>100%</b>

**Vi STOCK CODE AND ROC CODE**

BSE CODE: 539800

ISIN No.: INE043U01010

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

Having Corporate Identity Number (CIN) is: L24232CH2012PLC034188

**VII 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](http://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, 2022 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, 27<sup>th</sup> 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 REGISTRED OFFICE**

SCF 214, MOTOR MARKET  
MANIMAJRA, CHANDIGARH-160101  
PHONE: 0172-5070373  
Website: [www.chdchemicals.com](http://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](http://www.chdchemicals.com) contains basic information about the company e.g. details of its business, financial information, shareholding pattern, etc. The company also agrees to ensure that the contents of the said website are updated at any given point of time.

The Company's Annual Report is also available in down loadable form. The Company has total 9306 Shareholders as on 31st March, 2022. The main channel of communication to the shareholders is through its web-site as mentioned above and Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. [www.chdchemicals.com](http://www.chdchemicals.com).

#### xi. MARKET PRICE DATA

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

Month	High Price	Low Price	No. of Shares
Apr-21	16.6	11.9	109253
May-21	14.45	11.44	1392237
Jun-21	18.79	10.74	4388500
Jul-21	11.77	7.61	860305
Aug-21	9.65	6.75	474145
Sep-21	10.52	6.25	922306
Oct-21	9.97	7.51	1048339
Nov-21	8	6.73	529540
Dec-21	8.57	6.85	760907
Jan-22	14.55	8.99	2056723
Feb-22	13.52	8.74	584826
Mar-22	10.13	7.9	419621

#### XII. INSIDER TRADING

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

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

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

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

## **DECLARATION REGARDING CODE OF CONDUCT**

This is to certify that the Company had laid down code of conduct for all the board members and senior management personnel of the Company. Further certified that the members of the board of directors and senior management personnel have affirmed the compliance with the code applicable to them during the year ended 31st March 2022.

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

**Place: PANCHKULA  
Dated: 4<sup>th</sup> September, 2022.**

**SD/-**

**DIVYA KOTHARI  
MANAGING DIRECTOR  
DIN – 03592047**

## ANNEXURE VI

### MANAGEMENT DISCUSSION & ANALYSIS

#### Industry Overview

##### OVERVIEW OF CHEMICAL INDUSTRY IN INDIA

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

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

##### Leading Position Globally

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

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

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

##### High GDP Share

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

##### Global Dye Supplier

India accounts for approximately 11 per cent of the world production of dyestuff and dye intermediates, particularly for reactive acid and direct dyes

##### CHARACTERISTICS OF THE INDIAN CHEMICAL INDUSTRY

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

##### Business Overview

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

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

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

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

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

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

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

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

**SWOT**

**Strengths**

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

**Weaknesses**

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

**Opportunities**

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

**Threats**

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

**Outlook**

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

**Internal Control Systems and Their Adequacy**

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

**Human Resources**

The number of employees in the Company as on the 31<sup>st</sup> March, 2022 was 10. 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.315666333.67 /- as against Rs. 691960845.15 /- in the previous year.

The profit from operations before depreciation and tax is Rs 3909165.23 as against Rs. 3343984.22 /- in the previous year. The net profit after depreciation, taxation is Rs. 1640542.80 as against Rs. 555523.75 /- in the previous year.

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of

CHD CHEMICALS LIMITED  
SCF 214 MOTOR MARKET MANIMAJRA, CHANDIGARH.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CHD CHEMICALS LIMITED having CIN: L24232CH2012PLC034188 and having registered office at SCF 214 MOTOR MARKET MANIMAJRA CHANDIGARH (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ( [www.mca.gov.in](http://www.mca.gov.in) ) as considered necessary and explanations furnished to me/us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Neeraj Jindal & Associates  
Company Secretaries

SD/-

CS. Neeraj Jindal. Proprietor

(Membership No.: FCS 8270)

(Certificate of Practice No.: 9056)

(Peer Review Certificate No. **2258/2022**)

Place : Mohali

Date: 2<sup>nd</sup>, September, 2022

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**[Pursuant to paragraph E of Schedule V of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,

The Members,

CHD CHEMICALS LIMITED  
SCF 214 MOTOR MARKET  
MANIMAJRA CHANDIGARH

We have examined the compliance of the conditions of Corporate Governance by CHD CHEMICALS LIMITED ('the Company') for the year ended on 31st March 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Neeraj Jindal & Associate

Company Secretaries

SD/-

CS. Neeraj Jindal. Proprietor

(Membership No.: FCS 8270)

(Certificate of Practice No.: 9056)

Peer Review Certificate No. **2258/2022**

Place : Mohali

Date:2<sup>nd</sup>,September2022

**INDEPENDENT AUDITOR'S REPORT  
To The Members of CHD CHEMICALS LIMITED**

**Report on the audit of 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, 2022, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, aforesaid financial statements give the information required by Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. 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 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 opinion.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report 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 the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 statement 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 related 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 boards of directors are 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 Companies Act, 2013, 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. (A) 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion the aforesaid Standalone Financial Statements comply with the Ind AS specified 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, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- (B) 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 information and according to the explanations given to us:
- a) The Company does not have any pending litigations which would impact its financial position.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There are no amounts, required to be transferred, to the Investor-Education and Protection Fund by the Company.
  - d) The Management has represented that, to the best of its knowledge and belief,
    - (i) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (ii) no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- e) The company has not declared any dividend during the current year.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For DS P & ASSOCIATES  
Chartered Accountants  
Firm Reg No.- 006791N

SIDHARTH GUPTA  
M. No. 541066  
Partner

**Date: 30<sup>TH</sup> May, 2022**

**Place:Ludhiana**

**UDIN:22541066AJXYCD4524**

## **Annexure "A" to the Independent Auditor's Report**

**(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022)**

1. (a)
    - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
    - (B) The company does not have any intangible assets.
  - (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanation given to us and on the basis of our examination of record of the company, title deeds of immovable property are held in name of company.
  - (d) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not revalued its property, plant and equipment during the year.
  - (e) According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceeding initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transaction Act 1988, and rule made thereunder.
2. (a) As explained to us, the inventories were physically verified during the year by the management at reasonable interval. In our opinion the coverage and procedure of such verification is appropriate and no discrepancies were found in such verification.
  - b) According to the information and explanation given to us and on the basis of our examination of the records, the company is availing working capital limits in excess of five crore rupees, in aggregate, from a consortium of banks on the basis of the security of current assets. Based on our verification we state that the quarterly returns filed by the company with the bank are in conformity with the books of accounts.
3. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company, during the year, has not made any investment in, or provided guarantees or security or granted any loan or advances in

the nature of loan, secured or unsecured to companies, firm, limited liability partnership. Accordingly, clause 3(iii)(a) to (f) of the order are not applicable.

4. According to the information and explanations given to us, and on the basis of our examination of the records, the In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Act apply. The provisions of section 186 of the Act, in our opinion, are not applicable to the Company.
5. The company has not accepted any deposits or amounts which are deemed deposit from the public. Accordingly, clause 3(v) of the order is not applicable.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However we have not carried out detailed examination for the same.
7. According to information according to information and explanations given to us and based on the audit procedures performed by us, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have generally been regularly deposited by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022 for a period more than six months from the date of becoming payable.  
  
(b) According to the information and explanation given to us and records of the company examined by us, there are no statutory dues which have not been deposited on account of any dispute.
8. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclose any transaction, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax act, 1961 as income during the year. Clause 3(viii) are not applicable to the company hence not commented upon.
9. a) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not defaulted in the repayment of loan or borrowing or in the payment of interest thereon to any lender.  
  
b) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company is not declared willful defaulter by any bank or financial institution or government or government authority or any other lender.

- c) In our opinion and according to the information and explanations given to us by the management, the company has utilized the money by way of term loan during the year for the purposes for which they were obtained.
- (d) According to the information and explanation given to us and on the basis of overall examination of the balance sheet of the company, we report that no fund raised on short basis have been used for long term purposes by the company.
- (e) According to information and explanation given to us and on overall examination of financial statement of the company, we report that Company has not taken fund from any entity or person on account of or to meet the obligation of its subsidiaries, associate or joint venture. The company does not hold any investment in any associate or joint venture (as defined in the act) during the year ended 31 March 2022.
- (f) According to information and explanation given to us and procedure performed by us, we report that the company has not raised loans during the Year on pledge of securities held in its subsidiaries, joint ventures, or associate company (as defined under the act).
10. a) The company has not raised money by way of initial public offer or further public offer(including debt instruments) during the year, Accordingly Clause, 3(x)(a) of the order is not applicable to the company .
- b) During the year, the company has not made any preferential allotment or private placement of shares convertible debenture (fully, partially or optionally) during the year and hence reporting under clause 3(x)(b) of the order is not applicable to the company.
11. (a) Based on the examination of the books and records of the company and according to the Information and explanation given to us, considering the principle of materiality outline in the standard of auditing we report that no fraud by the company or on the company has been noticed during the course of the audit.
- (b) We have not submitted any report under subsection (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.
- (c) The auditor has not received any complaints from whistle -blower during the year. Therefore reporting under clause 3(xi)( c) of the order is not applicable to the company.
12. In our opinion the company is not a Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable.
13. According to information and explanation given to us, all transaction with the related party are in compliance with section 177 and 188 of companies act, 2013 and the details have been disclosed in the financial statement as required by the applicable accounting standards.

14. (a) Based on information and explanation provided to us and our audit procedures, in our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- (b) There are no internal auditor reports of the company for the period under audit.
15. According to information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of section 192 of the Companies Act 2013, are not applicable.
16. (a) According to information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore provision of clause 3(xvi)(a) and (b) of the order are not applicable to company hence not commented upon.
- (c) The company is not a Core Investment company (CIC) as defined in the regulation made by Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the order are not applicable.
- (d) According to the information and explanation provided to us during the course of audit, the Group does not have any CICs.
17. Based on the procedure performed and information and explanation given by the management the company has not incurred any cash losses in the financial year and in immediately preceding financial year. Accordingly, the provision of clause 3(xvii) of the order are not applicable to the company and hence not commented upon.
18. There has been resignation of statutory auditors during the year. We have considered the issues, objections, or concerns, if any, by the outgoing auditors.
19. According to the information and explanation given to us and on the basis of financial ratio, ageing and the expected dates of realization of the financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the board of director and management plans and based on our examination of evidence supporting the assumption nothing has come to our attention, which cause us to believe that any material uncertainty exists on the date of audit report and the company is not capable meeting its liabilities existing at the date of balance sheet as and when they fall due within a period one year from the Balance Sheet date. We, however, state that this is not assurance as to the future viability of the company. We further state that our reporting is based on facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
20. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For DS P & ASSOCIATES  
Chartered Accountants  
Firm Reg No.- 006791N

SIDHARTH GUPTA  
M. No. 541066  
Partner

**Date: 30<sup>TH</sup> May, 2022**

**Place:Ludhiana**

**UDIN:22541066AJXYCD4524**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(1)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **CHD CHEMICALS LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditor's Responsibility**

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

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

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DS P & ASSOCIATES

Chartered Accountants

Firm Reg No.- 006791N

SIDHARTH GUPTA

M. No. 541066

Partner

Date: 30TH May, 2022

Place:Ludhiana

UDIN:22541066AJXYCD4524

## CHD CHEMICALS LTD.

Balance Sheet as at March 31, 2022

(All amounts in Lacs unless otherwise stated)

	Particulars	Notes	As on March 31, 2022	As on March 31, 2021
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	<b>2</b>	1,010.91	1,010.91
	(b) Reserves and surplus	<b>3</b>	322.62	270.23
<b>(3)</b>	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	<b>4</b>	1,625.86	269.20
	(b) Deferred tax liabilities (Net)	<b>5</b>	(35.99)	-
	(c) Long-term Provision	<b>6</b>	-	-
<b>(4)</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	<b>7</b>	315.77	341.45
	(b) Trade payables - Total outstanding dues of micro enterprises and small enterprises		-	-
	- Total outstanding dues to other than micro enterprises and small enterprises	<b>8</b>	635.84	2,354.22
	(c) Other current liabilities	<b>9</b>	118.21	49.24
	(d) Short-term provisions	<b>6</b>	6.63	4.14
	<b>TOTAL</b>		<b>3,999.84</b>	<b>4,299.39</b>
<b>II</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
<b>(a)</b>	<b>Property, Plant and Equipmnets and Intangible Assets</b>			
	(i) Property Plant and Equipment	<b>22</b>	105.95	74.50
<b>(b)</b>	Non current investments	<b>10</b>	-	-
	Deferred tax Asset (Net)		-	-
<b>(c)</b>	Other Non-Current Assets	<b>11(a)</b>	-	0.90
<b>(2)</b>	<b>Current assets</b>			
<b>(a)</b>	Inventories	<b>12</b>	571.08	601.31
<b>(b)</b>	Trade receivables	<b>13</b>	3,189.91	3,477.12
<b>(c)</b>	Cash and Cash Equivlents	<b>14</b>	56.31	62.83
<b>(d)</b>	Short Term Loan and advances	<b>11</b>	20.18	18.83
<b>(e)</b>	Other current assets	<b>15</b>	56.41	63.90
	<b>TOTAL</b>		<b>3,999.84</b>	<b>4,299.39</b>

### The notes are an integral part of these Financial Statements

As per our review report of even date

#### For DSP & ASSOCIATES

Chartered Accountants

ICAI Firm Registration No.: 06719N

#### SIDHARTH GUPTA

Partner

Membership No. 541066

Place: Ludhiana  
Date: 30-05-2022

For and on behalf of the Board of Directors of  
CHD CHEMICALS LTD.

#### DIVYA KOTHARI

Director

DIN: 03592047

Place: Ludhiana  
Date:

#### ANKIT KOTHARI

Director

DIN: 00000000

Place: Ludhiana  
Date:

**CHD CHEMICALS LTD.**

Statement of Profit and Loss for the year ended 31st March 2022

(All amounts in Lacs unless otherwise stated)

Particulars	Note	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Revenue from operations	16	3,153.71	6,919.61
Other income	17	2.95	3.31
<b>TOTAL INCOME</b>		<b>3,156.66</b>	<b>6,922.92</b>
Cost of materials consumed	18	2,911.36	6,834.08
Purchases of stock-in-trade		-	
Changes in inventories of finished goods,	19	30.23	(149.61)
Employee benefits expense	20	59.69	64.77
Finance costs	22	46.64	38.09
Depreciation	21	15.89	22.97
Other expenses	23	69.66	102.16
<b>TOTAL EXPENSES</b>		<b>3,133.46</b>	<b>6,912.44</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>23.20</b>	<b>10.47</b>
Exceptional Item & Extra Ordinary Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>23.20</b>	<b>10.47</b>
<b>Tax expense:</b>			
(1) Current tax			
- Income Tax		6.63	4.14
- Earlier year taxes		0.17	0.78
(2) Deferred tax Liabilities/(Assets)		(34.60)	1.39
<b>PROFIT FOR THE YEAR</b>		<b>51.01</b>	<b>5.56</b>
Earnings per equity share:			
(1) Basic		0.50	0.05
(2) Diluted		0.50	0.05

The notes are an integral part of these Financial Statements

As per our review report of even date

**For DSP & ASSOCIATES**

Chartered Accountants

ICAI Firm Registration No.: 06719N

For and on behalf of the Board of Directors of

**CHD CHEMICALS LTD.****SIDHARTH GUPTA**

Partner

Membership No. 541066

DIVYA KOTHARI

Director

DIN: 03592047

ANKIT KOTHARI

Director

DIN: 00000000

Place: Ludhiana

Date: 30-05-2022

# CHD CHEMICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(All amounts in Lacs unless otherwise stated)

Particulars	FOR THE YEAR ENDED 31.03.2022		FOR THE YEAR ENDED 31.03.2021	
<b>I) Cash Flows from Operating Activities</b>				
Net Profit before tax and extraordinary items	23.20		10.47	
<b>Adjustments for:</b>				
Depreciation	15.89		22.97	
Misc Expenditure W/off	-		-	
(Profit)/Loss on Sale of Fixed Assets	-		-	
Interest Paid	46.64		38.09	
Interest Income	(2.95)		(3.31)	
Income Tax Previous Years Adjustment	-	82.78	-	68.22
<b>Operating profit before working capital changes</b>		<b>82.78</b>		<b>68.22</b>
Adjustments for:				
Decrease/(-) Increase in trade and other receivables	287.21		185.15	
Decrease/(-) Increase in inventories	30.23		(149.61)	
Increase/(-) Decrease in trade payables	(1,718.38)		(457.93)	
Increase/(-) Decrease in other current liabilities	48.64		(29.69)	
Increase/(-) Decrease in Short Term Provisions				
Decrease/(-) Increase in Other Current Assets	7.49		(18.79)	
Decrease/(-) Increase in Short Term Loan & Advances	(1.35)	(1,346.15)	35.66	(435.21)
<b>Cash generation from operation</b>		<b>(1,263.38)</b>		<b>(366.99)</b>
Income Taxes paid	-	(4.31)	-	(21.29)
<b>Net cash from/used in Operating Activities (A)</b>		<b>(1,267.69)</b>		<b>(388.28)</b>
<b>II) CASH FLOW FROM/USED IN INVESTING ACTIVITIES</b>				
<b>(2) MAT CREDIT</b>				
Purchase of fixed assets	(47.35)		(2.08)	
(2) Deferred tax Liabilities/(Assets) (including capital work in progress)				
Sale of Fixed Assets	-			
Interest Received	2.95		3.31	
Increase (Decrease) in Long Term Advances	0.90	(43.49)	13.45	14.68
<b>Net cash from/used in Investing Activities (B)</b>		<b>(43.49)</b>		<b>14.68</b>
<b>III) CASH FLOW FROM/USED IN FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	1,376.98		150.08	
Proceeds from term loans from banks and others (net)			285.52	
Proceeds from working capital borrowings from banks	(25.69)		26.22	
Dividend Paid			(15.05)	
Interest paid	(46.64)	1,304.66	(38.09)	382.46
<b>Net cash from/used Financing Activities (C)</b>		<b>1,304.66</b>		<b>382.46</b>
Net Increase in Cash and Cash Equivalents (A + B + C)	-	(6.52)		8.86
Opening Cash and Cash Equivalents		62.83		53.96
Closing Cash and Cash Equivalents		<b>56.31</b>		<b>62.83</b>
<b>IV) CASH AND CASH EQUIVALENTS COMPRISE OF</b>				
Cash in hand	8.13		10.85	
<b>Balances with Bank</b>	3.90		7.70	
In Current Accounts	-		-	
<b>Total</b>		<b>12.03</b>		<b>18.54</b>

This Cash Flow Statement has been prepared as per "Indirect Method" as prescribed by Accounting Standard -3 (revised) "Cash Flow Statements"

**For DSP & ASSOCIATES**

Chartered Accountants

ICAI Firm Registration No.: 06719N

For and on behalf of the Board of Directors of

**CHD CHEMICALS LTD.**

**SIDHARTH GUPTA**

Partner

Membership No. 541066

Place: Ludhiana

Date: 30-05-2022

**DIVYA KOTHARI**

Director

DIN: 03592047

**ANKIT KOTHARI**

Director

DIN: 00000000

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022  
(All amounts in Lacs unless otherwise stated)

Not e		As at March 31, 2022	As at March 31, 2021
<b>2</b>	<b>Share Capital</b>		
	<b>Authorized:</b>		
	11000000 equity shares of Rs.10/- each	1,100.00	1,100.00
	<b>A. Issued, Subscribed and Fully Paid Up Shares:</b>		
	10109080 equity shares of Rs.10 each fully paid up	1,010.91	1,010.91
	<b>Total Issued, Subscribed and Fully Paid Up Equity Share Capital</b>	<b>1,010.91</b>	<b>1,010.91</b>

### 2.1 Reconciliation of the number of shares outstanding as on the date of Balance Sheet:

	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
At the beginning of the period	101.09	1,010.91	101.09	122.89
Issued During the Year	-	-	-	-
<b>Outstanding at the end of period</b>	<b>10,109,080</b>	<b>1,010.91</b>	<b>10,109,080</b>	<b>1,010.91</b>

### B. Terms/rights attached to equity shares

- The company has issued one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.
- The company declares and pays dividend in Indian rupees. During the year ended March 31, 2022 the amount of dividend recognised as distributions to equity share holder's was NIL. The distribution will be in proportion to the number of equity share held by the equity shareholder.
- In the event of liquidation of the company, the holders of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity share holders.
- There is no change in the number of shares outstanding at the beginning and at the end of the year.
- There is no change in the pattern of shareholding during the year. It is same as the last year.

### C. List of shareholders holding more than 5% of Paid up Equity Share Capital

Sr. No.	Shareholder	As at March 31, 2022		As at March 31, 2021	
		No of Shares	%	No of Shares	%
1	Ms. Divya Kothari	2,036,636	27.58%	2,036,636	27.58%
2	Mr. Ankit Kothari	627,181	10.12%	627,181	10.12%
3	M/S Ankit Trade & Investments Pvt Ltd.	1,200,000	4.88%	1,200,000	4.88%
4	M/s Kothari Trade Investment P Ltd	1,290,000	2.11%	1,290,000	2.11%

### Shares held by promoters at the end of the year 31st March 2022

Sr. No.	Promoter Name	% of Total Shares	% Change during the year
1	Ms. Divya Kothari	27.58%	0.00%
2	Mr. Ankit Kothari	10.12%	0.00%
	<b>Total</b>	<b>37.70%</b>	<b>0.00%</b>

### Shares held by promoters at the end of the year 31st March 2021

Sr. No.	Promoter Name	% of Total Shares	% Change during the year
1.	Ms. Divya Kothari	27.58%	0.00%
2	Mr. Ankit Kothari	10.12%	0.00%
	<b>Total</b>	<b>37.70%</b>	<b>0.00%</b>

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

3 Reserves and Surplus	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium Account</b>		
Balance at the beginning of the year		-
Add: Amount transferred from surplus in the statement of profit and loss		-
<b>CLOSING BALANCE</b>		<b>-</b>
<b>Securities Premium Account</b>		
Balance as per last financial statements	27.09	27.09
<b>Closing balance</b>	<b>27.09</b>	<b>27.09</b>
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	243.13	252.63
Profit for the year	51.01	5.56
Less: Income Tax related to earlier Year		-
Less: Deferred Tax related to earlier Year	(1.39)	
Add: Capital Subsidy	-	-
Less: Provision for Gratuity	-	-
Less: Dividend INCLUDING DDT	-	15.05
Less: Transfer to Statutory Reserve	-	
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>295.53</b>	<b>243.13</b>
<b>Total Reserves and Surplus</b>	<b>322.62</b>	<b>270.23</b>

## 4 Long-term Borrowings

Amount (Rs. In Lacs)

	Non-current	Current	Non-current	Current
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
<b>Term Loans (Secured)</b>				
Indian rupee loan from banks	-	-	-	-
Daimler Financial Services India Pvt Ltd	-	8.75	8.75	12.23
Axis Bank Working Capital Loan Elcl Scheme	18.75	15.00	45.00	-
Toyota Financial Services India Ltd	30.20	8.80	-	-
<b>Other loans and advances (Secured)</b>				
Term Loan From NBFC	-	-	-	-
<b>Deposits (Unsecured)</b>				
Inter Corporate deposit	-	-	-	-
From Directors, Shareholders & their relatives	1,486.46		-	
From Others	90.45		215.45	
	<b>1,625.86</b>	<b>32.55</b>	<b>269.20</b>	<b>12.23</b>
Amount disclosed under the head "Short term borrowing" (note 7)	-	(32.55)	-	(12.23)
<b>Total</b>	<b>1,625.86</b>	<b>-</b>	<b>269.20</b>	<b>-</b>

### Notes:

**Primary Security**

**Collateral Security**

**Corporate Guarantee**

**Personal Guarantees**

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

### Maturity Pattern of Term Loan (Including Interest)

	2020-21	2021-22	2022-23	2023-24
As at 31.03.2022	13.54	13.54	9.03	
As at 31.03.2021	13.54	13.54	9.03	

	2024-25	2025-26	2026-27	2027-28
As at 31.03.2022				
As at 31.03.2021				

	2028-29	2029-30	2030-31
As at 31.03.2022			
As at 31.03.2021			

(c) Loan against vehicle was taken in the year 2021-22 from NBFC/Bank and is secured by hypothecation of respective vehicle. The loan is repayable on monthly basis and carry interest rate as per their respective loan agreements till the year 2026-27.

### Maturity Pattern of Vehicle Loan ( Including Interest)

	2021-22	2022-23	2023-24	2024-25
As at 31.03.2022	-	11.26	11.26	11.26
As at 31.03.2021	-	-	-	-

	2025-26	2026-27
As at 31.03.2022	11.16	-
As at 31.03.2021	-	-

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

### 5. Deferred Tax Liability (net)

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability</b>		
Opening Balance	1	1.39
Impact of difference between Income Tax depreciation and depreciation/amortization charged for financial reporting	(34.60)	
Expenses allowed u/s 43B of Income Tax Act, charged to Profit and Loss account in previous year		
<b>Gross deferred tax liability</b>	<b>(35.99)</b>	<b>1.39</b>
<b>Deferred tax asset</b>		
Expenses disallowed U/s 36(1) (va) of Income Tax Act 1961	-	-
<b>Gross Deferred tax asset</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Liability</b>	<b>(35.99)</b>	<b>1.39</b>

### 6. Provisions

	Amount (in Lakhs)		Amount (in Lakhs)	
	Non Current	Current	Non-current	Current
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
<b>Provision for Employee Benefits</b>	-	-	-	-
<b>Total (A)</b>	-	-	-	-
<b>Other Provisions</b>				
Provision for Income Tax	-	6.63	-	4.14
Contingent Provision against Standard Assets				
<b>Total (B)</b>	-	<b>6.63</b>	-	<b>4.14</b>
<b>Total (A+B)</b>	-	<b>6.63</b>	-	<b>4.14</b>

### 7. Short-term Borrowings

	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Working Capital Loans From Bank (LAS)	315.77	341.45
	<b>315.77</b>	<b>341.45</b>

#### Notes:

#### Security

Scrip Phy Qnty

#### Collateral Securities

#### Corporate Guarantee

#### Unsecured

Loan Repayable on Demand

Ritu Gupta 0.00

		-
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## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

Amount (Rs. In Lacs)

### 8 Trade Payables

	As at March 31, 2022	As at March 31, 2021
Trade payables (including acceptances)		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues to other than micro enterprises and small enterprises	635.84	2,354.22
	<b>635.84</b>	<b>2,354.22</b>

#### Trade Payables ageing schedule: As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(i) MSME	-	-	-	
(ii) Others	592.31	2.03	3.20	38.30	635.84
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

#### Trade Payables ageing schedule: As at 31st March,2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(i) MSME	-	-	-	
(ii) Others	2,235.57	106.96	10.95	0.74	2,354.22
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

	-	-
	As at March 31, 2022	As at March 31, 2021
<b>9 Other Current Liabilities</b>		
Current Maturities of Long term debt	32.55	12.23
Advance from customers	-	-
other liabilities	18.04	34.97
Cheque Issued but not presented	61.78	0.08
Statutory Liabilities	5.84	1.96
<b>Total</b>	<b>118.21</b>	<b>49.24</b>

## 10 Non Current Investments

### TRADE INVESTMENT AT (COST)

#### A. QUOTED

##### I. Quoted - Equity Shares

- -

##### II. Quoted - Mutual Funds

#### Total A

- -

#### B. UNQUOTED

##### III. Unquoted - Equity Shares

- -

Share of Profit/(Loss)

- -

#### Total B

- -

#### Total A+B

- -

Aggregate Value of Quoted Investment(Valued At Cost)

- -

Aggregate Value of Quoted Investment at Market Value

- -

Aggregate Value of Unquoted Investment(Valued At Cost)

- -

## 11 Loans and Advances

	Non-current	Current	Non-current	Current
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021

### Capital advances

Unsecured considered good

- - - -

#### Total (A)

- - - -

### LOANS & ADVANCES REPAYABLE ON DEMAND

Ajay Kapoor

2.50 2.50

Buta Singh

5.00 5.00

Barnala Godown Constuction

5.33 5.33

Neeraj Jindal & Associates

1.50 1.50

Pankaj Narula

2.25 2.25

Salary Advance

0.10 0.25

Satyaveer Kothari & sons huf

3.50 3.50

Prepaid Expenses

- -

#### Total (B)

- 20.18 - 18.83

#### Total (A+B)

- 20.18 - 18.83

**CHD CHEMICALS LTD.**

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>11a Other non-current assets</b>		
<b>(i) Long Term Trade Receivable</b>		
Unsecured		
Considered good	-	-
Considered doubtful	-	-
<b>(ii) Security Deposit</b>		0.90
	<u>-</u>	<u>0.90</u>
<b>12 Inventories (valued at lower of cost and net realisable value)</b>		
(a) Raw Material		-
(b) Work in Progress		-
(c) Finished Goods	571.08	601.31
(e) Stores and Spares		-
	<u>571.08</u>	<u>601.31</u>

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

### 13 Trade receivables (considered good unless otherwise stated)

	-	-
	As at March 31, 2022	As at March 31, 2021
<b>Receivables outstanding for a period exceeding six months from the due date of payment</b>		
Unsecured		
Considered good	-	369.36
Considered doubtful		
Less: classified under Other non-Current assets(Note No.11(a))	-	-
<b>Total (A)</b>	<b>-</b>	<b>369.36</b>
<b>Other receivables</b>		
Unsecured		
Considered good	3,189.91	3,107.76
<b>Total (B)</b>	<b>3,189.91</b>	<b>3,107.76</b>
<b>G. Total (A+B)</b>	<b>3,189.91</b>	<b>3,477.12</b>

#### Trade Receivables ageing schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	1,297.21	1,333.23	379.85	179.62	3,189.91
(i) Undisputed Trade receivables -considered doubtful					
(iii) Disputed trade receivables considered good					
(iv) Disputed trade receivables considered doubtful					

#### Trade Receivables ageing schedule as at 31st March,2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	2,274.29	861.31	161.99	179.53	3,477.12
(i) Undisputed Trade receivables -considered doubtful					
(iii) Disputed trade receivables considered good					
(iv) Disputed trade receivables considered doubtful					

For CHD CHEMICALS LTD.

Director

Director

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

<b>14 Cash and Bank Balances</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Cash and cash equivalents</b>		
On Deposit Accounts With Original maturity for more than 12 months	44	44
On Deposit Accounts With Original Maturity for less than 12 months		-
Cheque in Hand	-	-
Cash on hand	8.13	10.85
	<b>52.41</b>	<b>55.13</b>
<b>Deposit Accounts</b>		
Bank of Baroda (Maturing in less than 12 Months)		
HDFC Bank (Maturing in less than 12 Months) Barewal Road		-
		-
<b>Other bank balances</b>		
Balances with banks to the extent held as margin money	-	-
Axix Bank	3.90	7.70
	<b>3.90</b>	<b>7.70</b>
<b>Total</b>	<b>56.31</b>	<b>62.83</b>
<b>15 Other Current Assets</b>		
Other Receivable	56.41	63.90
	<b>56.41</b>	<b>63.90</b>
<b>16 Revenue from Operations:-</b>		
Sales Gross	3153.71	6919.61
Interest Income		
-Interest From Loan & Advances		
<b>Revenue from Operations (gross)</b>	<b>3153.71</b>	<b>6919.61</b>
Less: Excise Duty	-	-
Less: Rebate & Discount	-	-
<b>Revenue from Operations (net)</b>	<b>3,154</b>	<b>6,919.61</b>
<b>17 Other Income</b>		
Interest	2.95	3.31
Profit on sale of Assets	-	-
	<b>2.95</b>	<b>3.31</b>

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>18 Cost of Raw Material Consumed</b>		
Amount of opening Inventory	-	-
Purchases (net)	2,911.36	6,834.08
Total	2,911.36	6,834.08
Less inventory at the end of year	-	-
Cost of raw material consumed	<b>2,911.36</b>	<b>6,834.08</b>
<b>19 (Increase)/Decrease in Inventories</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	571.08	601.31
Work -In- Progress	-	-
	<b>571.08</b>	<b>601.31</b>
<b>Inventories at the Beginning of the year</b>		
Finished Goods	601.31	451.70
Work -In- Progress	-	-
Scrap	-	-
	<b>601.31</b>	<b>451.70</b>
<b>(Increase)/Decrease in Inventories</b>	<b>30.23</b>	<b>(149.61)</b>
<b>20 Employee Benefit Expenses</b>		
Salaries & wages	59.38	64.22
Contribution to PF & Other Funds	-	-
Directors' remuneration	-	-
Security Expenses	-	-
Staff Welfare Expenses	0.31	0.55
	<b>59.69</b>	<b>64.77</b>
<b>21 Depreciation and Amortization Expense</b>		
Depreciation	15.89	20.50
Amortization - Deferred Revenue Expenses	-	2.47
<b>Total</b>	<b>15.89</b>	<b>22.97</b>

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

<b>22 Finance Cost</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Interest		
A) Interest on Term Loan	1.31	2.32
B) Interest on Working Capital and working capital TL	27.61	21.43
C) Other Interest	12.46	8.83
D) Bank & Other Charges	5.26	5.51
Bank Charges		-
Processing Fee		-
Exchange Rate Differences		-
<b>Total</b>	<b>46.64</b>	<b>38.09</b>
<b>23 Other expenses</b>		
<b><u>(a) Manufacturing Expenses</u></b>		
<u>Opening Stock</u>		
Store & Spares	-	-
<u>Add: Purchases</u>		
Consumable Stores		-
Electricity Charges		-
Generator Expenses		-
Job Charges		-
Machinery Repair & Maintt.		-
	-	-
-		
Store & Spares	-	-
<b>Total Manufacturing Expenses (a)</b>	<b>-</b>	<b>-</b>

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

(All amounts in Lacs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>(b) Administrative Expenses</b>		
Administration Expenses	0.43	1.34
Charity & Donation A/C	-	0.00
Software Updation /Comuter Exp /Website Developme	0.13	0.15
Conveyance Exp A/C	0.51	0.67
Electricity & Water	0.81	0.88
Office Repair & Maintenance	0.10	0.44
Misc Expenses	0.00	0.00
Postage & Telegram Exp	0.20	0.23
Printing & Stationary A/C	0.76	0.64
Rent Account	3.71	4.96
Telephone Expenses	0.97	1.00
Vehicle Running & Maintt	7.39	7.63
Insurance	1.60	1.94
Legal & Pprofessional Exp	8.12	5.33
Roc & Other Fees	0.04	0.26
Rate & Taxes/Dividend Tax	1.88	0.57
Fire Fighting Exp	0.08	0.05
Telephone Expenses		
Tour & Travelling (Business Promotion Expenses)		
<b>Total Admin. Exps</b>	<b>28.05</b>	<b>27.68</b>
<b>Payment to Auditors :</b>		
- Audit Fee	0.38	-
- Tax Audit Fee	-	-
- Other matters	-	-
<b>Total Payment to Auditors</b>	<b>0.38</b>	<b>-</b>
<b>Total Administrative Expenses (b)</b>	<b>28.42</b>	<b>27.68</b>
<b>(c) Selling Expenses</b>		
Sampling Expenses	0.01	0.17
Sales Promotion	12.90	1.12
Freight Outward A/C	0.37	0.74
Rebate & Discount Allowed	25.73	52.73
Godown Rent	-	2.66
Sales Incentive	-	15.12
Lab Expense/ Testing Charges	0.12	0.13
Packing Expenses	0.27	0.15
Advertisement Exp.	1.68	1.40
Diwali Exp	0.15	0.26
<b>Total Selling Expenses (c)</b>	<b>41.23</b>	<b>74.47</b>
<b>Total Other Expenses (a+b+c)</b>	<b>69.66</b>	<b>102.16</b>

## CHD CHEMICALS LTD.

Notes to Financial Statements for the Year ending 31st March 2022

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### Note No. 24

Ratio analysis	For the Year ended 31.03.2022	For the Year ended 31.03.2021	Difference in %	Comments
1 Current Ratio	3.62	1.54	135.43%	
2 Debt Equity Ratio	1.46	0.48	205.47%	
3 Debt Service Coverage Ratio	0.24	0.19	28.76%	
4 Return on Equity Ratio	0.04	0.00	803.24%	
5 Inventory Turnover Ratio	5.02	12.70	-60.47%	
6 Trade Receivables Turnover Ratio	0.95	1.94	-51.19%	
7 Trade Payables Turnover Ratio	1.95	2.65	-26.39%	
8 Net Capital Turnover Ratio	1.12	4.69	-76.14%	
9 Net Profit Ratio	0.02	0.00	1914.66%	
10 Return on Capital employed	0.02	0.03	-23.73%	
11 Return on Investment	-	-	-	

For CHD CHEMICALS LTD.

Director

Director

**CHD CHEMICALS LTD.**

Fixed Assets as at 31.03.2022

Note No. 21

(Rs in Lakhs)

PARTICULARS	GROSS BLOCK						ACCUMULAED DEPRECIATION				NET BLOCK		
	COST AS ON 01.04.2021	ADDITIONS	DISPOSALS/ TRANSFER	AS AT 31.03.2020	ADDITIONS DURING THE YEAR	SALES/OTHER	COST AS ON 31.03.2022	UPTO 01.04.2021	DURING THE YEAR 21-22	DEDUCTIONS/ OTHER	TOTAL UPTO 31.03.2022	WDV AS ON 31.03.2022	WDV AS ON 31.03.2021
<b>TANGIBLE ASSETS</b>													
FURNITURE & FIXTURE	0.05			0.05	-	-	0.05	0.04	0.01		0.05	0.01	0.01
OFFICE EQUIPMENTS	6.43			6.43		-	6.43	3.70	0.65		4.34	2.09	2.74
VEHICLES	157.01			157.01	46.12	-	203.13	85.91	14.96		100.87	102.26	71.10
COMPUTERS	4.53			4.53	1.22	-	5.75	3.87	0.28		4.15	1.60	0.66
<b>Total</b>	<b>168.02</b>	<b>-</b>	<b>-</b>	<b>168.02</b>	<b>47.35</b>	<b>-</b>	<b>215.37</b>	<b>93.52</b>	<b>15.89</b>	<b>-</b>	<b>109.41</b>	<b>105.95</b>	<b>74.50</b>
<b>INTANGIBLE ASSETS</b>													
Software Development													
Capitall Work in Progress	-				-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>168.02</b>				<b>47.35</b>	<b>-</b>	<b>215.37</b>	<b>93.52</b>	<b>15.89</b>	<b>-</b>	<b>109.41</b>	<b>105.95</b>	<b>74.50</b>

**CHD CHEMICALS LTD.**

Notes to Financial Statements for the year ended on March 31, 2022

(All amounts in Rupees unless otherwise stated)

Particulars	31st March 2022			31st March 2021		
	Enterprises in which Key managerial personnel have significant influence	Key managerial Personnel	Relatives of Key Managerial personnel	Enterprises in which Key managerial personnel have significant influence	Key managerial Personnel	Relatives of Key Managerial personnel
<b>Loan Received</b>						
DIVYA KOTHARI		41,813,000.00				
ANKIT KOTHARI		106,833,000.00				
<b>Remuneration</b>						
DIVYA KOTHARI		600,000.00			600,000.00	
SATYAVEER SINGH KOTHARI		1,200,000.00			1,200,000.00	
KAMAL KUMAR SHAH		750,000.00			800,000.00	
HARSIMRAN JIT KAUR		400,000.00			440,000.00	
KARTIK BHATIA		40,000.00				
<b>Rent Paid</b>						
ANKIT KOTHARI		144,000.00			204,000.00	
<b>Loan Repayment</b>						
ANKIT TRADE AND INVESTMENT PRIVATE LIM	800,000.00			-		

**CHD CHEMICALS LTD.**

**Ageing Payables (FIFO Basis)**

Account Group : Sundry Creditors							Account Status as on : 31-3-2022
Party Details	Closing Amt	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total	
ARUN DYES CHEM SALES CORP.		71882.00				71882.00	
Badesara Goods Carrier				320291.00		320291.00	
Bhaothari Engineers and Consultants Pvt Ltd		4576250.00				4576250.00	
Bombay Gujrat Road Lines Pvt Ltd		83332.00				83332.00	
Cameo Corporate Services Ltd		356.00				356.00	
Central Depositoryservices India Limited		37307.00				37307.00	
CHANDIGARH MARKETING & CO.					540000.00	540000.00	
Chandigarh Trade Link					554584.00	554584.00	
Chaudhary Goods Carrier		293572.00				293572.00	
CHIMAN LAL M. SHAH		58521.00				58521.00	
Chirawa Goods Carrier		43646.00				43646.00	
D S P & ASSOCIATES		40500.00				40500.00	
Huntsman International (I) Pvt Ltd BH		21738487.00				21738487.00	
HUNTSMAN INTERNATIONAL (I) PVT. LTD.,- PN		86593.00				86593.00	
HUNTSMAN INTERNATIONAL (I) PVT LTD (VD)		4044529.00				4044529.00	
Indigo Advisory Pvt Ltd			201920.00			201920.00	
Kamal Kumar Shah		54981.00				54981.00	
KCK INDUSTRIES LIMITED.		6633513.00				6633513.00	
KCK INDUSTRIES LIMITED (YARN)		14416904.00				14416904.00	
KCK INDUSTRIES LTD (DYES)		4796234.00				4796234.00	
KCK SALES					2660992.50	2660992.50	
MIKHAIL ENTERPRISES		297525.00				297525.00	
Prem Dyes		1201887.00				1201887.00	
PRIME INFOTECH		672.00				672.00	
Quadrant Televentures Ltd		1583.74				1583.74	
Relish					74255.00	74255.00	
Texchem Distributors Pvt Ltd.			1494.00			1494.00	
WALAITI RAM ASHOK KUMAR ( HOSHANGABAD)		752486.00				752486.00	
<b>Totals</b>	<b>0.00</b>	<b>59230760.74</b>	<b>203414.00</b>	<b>320291.00</b>	<b>3829831.50</b>	<b>63584297.24</b>	

**CHD CHEMICALS LTD.**

**Ageing Payables (FIFO Basis)**

Account Group : Sundry Creditors							Account Status as on : 31-3-2021
Party Details	Closing Amt	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total	
Akshit Paper Convertor		637.00				637.00	
Ankit Trade & Investment Pvt Ltd		800000.00				800000.00	
ARUN DYES CHEM SALES CORP.		32450.00				32450.00	
Badesara Goods Carrier			320291.00			320291.00	
BDH DYE CHEM PVT.LTD.		186971.00				186971.00	
Bhaothari Engineers and Consultants Pvt Ltd		373750.00				373750.00	
Bombay Gujrat Road Lines Pvt Ltd		177240.00				177240.00	
Cameo Corporate Services Ltd		5900.00				5900.00	
CHANDIGARH MARKETING & CO.				540000.00		540000.00	
Chandigarh Trade Link				554584.00		554584.00	
Chaudhary Goods Carrier		387613.00				387613.00	
Chirawa Goods Carrier		384950.00				384950.00	
HUNTSMAN INTERNATIONAL (I) PVT LTD (AD)		1482067.00				1482067.00	
Huntsman International (I) Pvt Ltd BH		65870490.00				65870490.00	
HUNTSMAN INTERNATIONAL (I) PVT LTD (VD)		12905769.00				12905769.00	
HUNTSMAN INTL (I) P LTD PND		148412.00				148412.00	
Indigo Advisory Pvt Ltd		951920.00				951920.00	
Kamal Kumar Shah		55455.00				55455.00	
KCK SALES		2660992.50				2660992.50	
KCK SALES PRIVATE LIMITED (YARN)		117597973.00				117597973.00	
KCK SALES PVT LTD ( DYES)		16829110.00	10375818.00			27204928.00	
P.D.Trade Link		579500.00				579500.00	
Relish					74255.00	74255.00	
SAFFAR INDUSTRIES ( JAIPUR )		13275.00				13275.00	
Thaker Brothers		23954.00				23954.00	
Tirupati India Logistics		1840.00				1840.00	
WALAITIRAM ASHOK KUMAR		528850.00				528850.00	
WALAITI RAM ASHOK KUMAR ( HOS )		818173.00				818173.00	
WALAITI RAM ASHOK KUMAR ( HOSHANGABAD)		682781.00				682781.00	
WALAITI RAM ASHOK KUMAR (MP)		57030.00				57030.00	
						0.00	
<b>Totals</b>	<b>0.00</b>	<b>223557102.50</b>	<b>10696109.00</b>	<b>1094584.00</b>	<b>74255.00</b>	<b>235422050.50</b>	

CHD CHEMICALS LTD.

Ageing Receivables (FIFO Basis)

Party Details	Closing Amt	Account Status as on : 31-3-2022			
		( 0 - 365 ) Days	( 366 - 730 ) Days	( 731 - 1095 ) Days	(>= 1096 ) Days
Alaska Fabtech Pvt Ltd.		0.00			42552.00
AMIT TRADERS		0.00		10368958.00	
BHANDARI EXPORT IND. LTD.		0.00			43905.80
BHANDARI HOSIERY EXPORTS LTD.		0.00			2004687.00
BHAOTHARI ENGINEERS & CONSULATANTS PVT LTD		10551986.00			
BHARAT UDYOG		0.00		249950.00	
CHANDIGARH COLOUR INC		292085.00			
CHEMTEX INDIA(SALE)		0.00			37431.00
CHIMAN LAL M. SHAH		0.00			8805.00
CHIMANLAL M SHAH (Guj)		29660.00			
Daimler Financial Services (I) Pvt Ltd TDS		14285.00	90672.00		
EM PEE MOTORS LTD		142430.00			
FAIR DEAL CORPORATION		41276.00			
FLORA 12		0.00			21830.00
FUTURE TECH		0.00			100000.00
GLOBAL TRENDS		997.00			
HIMACHAL FIBRES LTD		0.00			2707991.50
JCT LIMITED		22697208.00	15901559.25		
Kothari Chemicals Inc		0.00		11338451.75	
LOTUS HOMETEXTILES LIMITED		2774094.00			
MAHADEV PROCESSORS		163952.00			
M.G.Planets & Constructions		0.00	1250000.00		
NANOTEX SOLUTIONS		0.00	524090.00		
PAN CHEMICALS INC		0.00	3204107.30		
PAN ORGANIC INDUSTRIES		9395896.00	14863786.00		
PEE KAY INDUSTRIES		63215.00			
Prem Dyes		301469.00			
RANA POLYCOT LTD.		0.00			1002341.20
SAINATH TEXTPORT LTD		0.00			10873021.00
SAMSUNG ACRYCOT LTD.		0.00			98109.00
SARA TEXTILES LTD.		109976.35			
Sel Manufacturing Co.Ltd.		1626716.00	1094410.00	16027791.88	
SHEETAL FIBERS LTD.		0.00			1020966.60
SHIV SHAKTI PROCESSORS		0.00	7623.00		
SHREE KRISHNA COLOUR CO		164168.00			
SHRITI ENTERPRISES		17030.00			
SRC CREATIONS		147099.00			
S.S MATCHING CENTER		0.00	13865.00		
T.C.TERRYTEX LTD.		9373646.00	67730769.83		
T.C.Terrytex Ltd (Yarn)		35753042.00	28641877.00		
TEXCHEM DISTRIBUTORS (PVT.) LIMITED		18574.00			
TRIDENT LIMITED UNIT-II		16236756.20			
TRIDENT LTD. (UNIT-I)		4353638.00			
VEDANT ENTERPRISE		69325.00			
WALAITI RAM ASHOK KUMAR(PANIPAT)		1261682.00			
WINSOME TEXTILE IND. LTD.		13583377.34			
WINSOME TEXTILE INDUSTRIES LTD (UNIT III-FABRIC)		537844.00			
<b>Totals</b>	<b>0.00</b>	<b>129721426.89</b>	<b>133322759.38</b>	<b>37985151.63</b>	<b>17961640.10</b>

CHD CHEMICALS LTD.

Ageing Receivables (FIFO Basis)

Account Group : Sundry Debtors		Account Status as on : 31-3-2021			
Party Details	Closing Amt	( 0 - 365 ) Days	( 366 - 730 ) Days	( 731 - 1095 ) Days	(>= 1096 ) Days
Alaska Fabtech Pvt Ltd.		0.00			42552.00
A.D.SALES CORPORATION (DELHI)		1530500.00			
AMIT TRADERS		0.00	10368958.00		
ASHIRWAD MARKETING AGENCY		256060.00			
BHANDARI EXPORT IND. LTD.		0.00			43905.80
BHANDARI HOSIERY EXPORTS LTD.		0.00			2004687.00
BHAOTHARI ENGINEERS & CONSULATANTS PVT LTD		1660095.00			
BHARAT UDYOG		0.00	249950.00		
CHANDIGARH COLOUR INC		4749400.00			
CHEMTEX INDIA(SALE)		0.00			37431.00
CHIMAN LAL M. SHAH		563134.00			
CHIMANLAL M SHAH (Guj)		291018.00			
Daimler Financial Services (I) Pvt Ltd TDS		91807.00			
FLORA 12		0.00			21830.00
FUTURE TECH		0.00			100000.00
GLOBAL TRENDS		997.00			
HIMACHAL FIBRES LTD		0.00			2707991.50
JCT LIMITED		30281489.00	6646417.67		
KCK SALES PRIVATE LIMITED.		3526973.00			
Kothari Chemicals Inc		0.00	11338451.75		
LOTUS HOMETEXTILES LIMITED		1123621.48			
L.S. PROCESSERS		245924.00			
MAHADEV PROCESSORS		0.00	363952.00		
M.G.Planets & Constructions		1250000.00			
MIKHAIL ENTERPRISES		412145.00			
NITIN TEXTILES		52392.00			
PAN CHEMICALS INC		5354107.30			
PAN ORGANIC INDUSTRIES		16216768.00	10614470.00		
P.D.Trade Link		21950.00			
PEE KAY INDUSTRIES		117065.00			
Prem Dyes		1953238.00			
RANA POLYCOT LTD.		0.00			1002341.20
R.K.H.HANDICRAFTS PVT LTD		31820.00			
SAINATH TEXPORT LTD		0.00			10873021.00
SAMSUNG ACRYCOT LTD.		0.00			98109.00
SARA TEXTILES LTD.		1258028.75			
Sel Manufacturing Co.Ltd.		1094410.00	1812109.00	16198543.88	
SHEETAL FIBERS LTD.		0.00			1020966.60
SHIV JYOTI FABRICS		43964.00			
SHIV SHAKTI PROCESSORS		7623.00			
SHRINATH JI ENTERPRISES		141010.00			
SHRI SARAPOLYMERS PVT.LTD.		105610.00			
SHRITI ENTERPRISES		45751.00			
SRC NATURA PRODUCTS LTD		21101.00			
S.S MATCHING CENTER		13865.00			
T.C.TERRYTEX LTD.		21676586.00	44736434.83		
T.C.Terrytex Ltd (Yarn)		106589600.00			
Texchem Distributors Pvt Ltd.		251334.00			
TRIDENT LIMITED UNIT-II		5237455.62			
TRIDENT LTD. (UNIT-I)		3861557.00			
VEDANT INTERPRISE		102660.00			
VIKRAM TRADING COMPANY		97527.00			
WALAITI RAM ASHOK KUMAR (MP)		129151.00			
WALAITI RAM ASHOK KUMAR(PANIPAT)		596451.00			
WINSOME TEXTILE IND. LTD.		16425268.00			
<b>Totals</b>	<b>0.00</b>	<b>227429456.15</b>	<b>86130743.25</b>	<b>16198543.88</b>	<b>17952835.10</b>

## 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, 2022 were approved by the Board of Directors and authorized for issue on 30<sup>th</sup> May, 2022

### 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 it 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 proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an asset's 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 are determined by the management at the time an 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 comprises 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 is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other repairs and maintenance costs 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 NII

Bank Guarantee issued by Axis bank 2.5 Crore

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	Divya Kothari	Directors/ Key Managerial Personnel
2	Ankit Kothari	
3	Inder Singh	
4	Vijender Singh	
5	Bajrang Lal Kedia	
6	Kamal Kumar Shah	
7	Harsimran Jit Kaur	
8	Kartik Bhatia	
9	Kitabwati Kothari	Relatives Of Key Management Personnel
10	Satyaveer Singh Kothari	
11	Suman Sihag	
12	Chanda Kedia	
13	Sumangla Shah	
14	Aditya Shah	
15	Surinder Kaur	Companies/Entity Owned Or Significantly Influenced By Directors/Relatives Of Directors
16	M/S A.D. Sales Corp.	
17	M/S Bharat Udyog	
18	M/S Ankit Trade & Investments Private Limited	
19	M/S Pan Organics Industries	

**d) Related Party Transactions :-**

Nature of Transactions	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Transaction during the year	Amount	
<b>REMUNERATION</b>		
DIVYA KOTHARI	6.00	6.00
SATYAVEER SINGH KOTHARI	12.00	12.00
KAMAL KUMAR SHAH	7.50	8.00
HARSIMRAN JIT KAUR	4.00	4.40
KARTIK BHATIA	0.40	0.00
<b>RENT PAID</b>		
ANKIT KOTHARI	1.44	2.04
<b>LOAN RECEIVED</b>		
DIVYA KOTHARI	418.13	0.00
ANKIT KOTHARI	106.83	0.00
<b>LOAN REPAYMENT</b>		
ANKIT TRADE AND INVESTMENT PRIVATE LIMITED	8.00	0.00

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.

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

AS PER OUR REPORT OF EVEN DATE ATTACHED.  
FOR DSP & ASSOCIATES  
CHARTERED ACCOUNTANTS

SIDHARTH GUPTA  
M.No. 541066  
FRN 06719N  
**UDIN:222541066AJXYCD4524**

Divya Kothari  
Director  
(Din: 03592047)

Ankit Kothari  
Director  
(Din: 06883692)

kartik Bhatia  
Company Secretary