



# **CHEMCRUX ENTERPRISES LTD.**

**ANNUAL REPORT 2016-17**

CIN: L01110GJ1996PLC029329

Reg. Off.: T-7, National Plaza, R.C.Dutt Road,  
Alkapuri, Vadodara- 390007



**CHEMCRUX ENTERPRISES LIMITED**  
**ANNUAL REPORT 2016-17**

Reg. Offc: T-7, National Plaza, R.C.Dutt Road,  
Alkapuri, Vadodara- 390007  
CIN: L01110GJ1996PLC029329

## **Corporate Information**

### **Board of Directors**

Mr. Girish C. Shah	- Chairman & Whole Time Director
Mr. Sanjay Marathe	- Managing Director
Mrs. Sidhdhi G. Shah	- Director
Mrs. Neela S. Marathe	- Director
Mr. Shailesh H. Patel	- Independent Director
Mr. Bhanubhai V. Patel	- Independent Director
Mr. Premchand V. Tiwari	- CFO
Mr. Alpesh S. Makwana	- Company Secretary & Compliance Officer

### **Bankers:**

State Bank of India

### **Auditors:**

Naresh & Company  
Chartered Accountants  
2<sup>nd</sup> Floor, Citi Enclave,  
Opposite Polo Ground,  
Vadodara-390 001

### **Registered Office:**

T-7, National Plaza,  
R. C. Dutt Road, Alkapuri,  
Vadodara- 390 007  
Ph: +91-0265-2344803/2358903  
Email:- girishshah@chemcrux.com  
Fax: +91-0265-2332910  
Website: www.chemcrux.com  
CIN- L01110GJ1996PLC029329

### **Registrar & Share Transfer Agent:**

#### **BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis,  
Makwana Road, Marol ,  
Andheri – East, Mumbai – 400059  
E-mail id: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**TABLE OF CONTENTS**

	Page No.
1. Notice of the Annual General Meeting .....	03
2. Board' Report .....	06
2.1 Management Discussion and Analysis .....	12
2.2 Secretarial Audit Report .....	15
2.3 Form No. AOC-2 .....	18
2.4 Extract of Annual Return in Form MGT-9 .....	19
2.5 Corporate Governance Report .....	26
3. Auditor's Report .....	37
4. Balance Sheet .....	43
5. Profit & Loss Accounts .....	44
6. Cash Flow Statement .....	45
7. Notes to Accounts .....	46
8. Proxy – Form .....	64
9. Polling Paper .....	65
10. Attendance Slip .....	66



**CHEMCRUX ENTERPRISES LIMITED**

CIN: L01110GJ1996PLC029329

**Regd. Office:** T-7, National Plaza, R.C. Dutt Road, Alkapuri, Vadodara - 390007  
**Factory Office:** 4712-14, GIDC, Road South 10, Ankleshwar-393 002, (Gujarat ) INDIA  
Ph: +91-0265-2344803/2358903  
Email:- girishshah@chemcrux.com, Fax: +91-0265-2332910  
Website: www.chemcrux.com

**1. NOTICE**

**NOTICE** is hereby given that the Twenty First (21<sup>st</sup>) Annual General Meeting of Members of CHEMCRUX ENTERPRISES LIMITED (the Company) will be held on Friday, the 18<sup>th</sup> day of August, 2017 at 02:00 p.m at Baroda Rotary Club Service Centre, 62, Haribhakti Extension, Opp. ABS Tower, Old Padra Road, Vadodara, District Vadodara, in the State of Gujarat to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 including the Balance Sheet as at March 31, 2017 and the Statement of Profit of Loss and Cash Flow for the year ended on that date together with and the reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2017.
3. To Appoint Ms. Talati & Talati, Vadodara as Statutory Auditors in place of Ms. Naresh & Co., statutory auditor to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Talati & Talati, Chartered Accountants, Vadodara having ICAI Firm Registration No. 110758W, who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company for a term of one year from the conclusion of this Annual General Meeting till the conclusion of the 22<sup>nd</sup> Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

4. To appoint a Director in place of Mr. Girish C. Shah (DIN: 00469291), who retires by rotation and being eligible, offers himself for re-appointment.

**By order of the Board of Directors  
For CHEMCRUX ENTERPRISES LIMITED**

**Place: Vadodara  
Date: 15.07.2017**

**Sd/-  
Girish C. Shah  
CHAIRMAN  
DIN: 00469291**

**NOTES:**

1. The Register of members and Share Transfer Books of the Company will remain closed from 10/08/2017 to 18/08/2017 (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2017.
2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the special business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
5. In terms of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.
6. Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Directors for the year ended 31<sup>st</sup> March, 2017, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 09.08.2017 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 09/08/2017. The dividend warrants /Demand Draft will be posted on or about 15/09/2017.
  - 6.1 *In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.*
  - 6.2 *Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agent.*
7. During the year under review, the Company has appointed M/s. Bigshare Services Private Limited, as its Registrar and Transfer Agent (RTA) having their administrative office situated at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol Andheri – East, Mumbai – 400059 in the State of Maharashtra. The aforesaid RTA is handling registry work in respect of shares held both in physical form and in electronic/demats form. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and shares certificates should be sent either to the RTA or at the registered office of the Company.
8. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
9. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
10. Members are requested to intimate the Company of queries, if any, regarding these accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the meeting.
11. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sundays, upto and including the date of Annual General Meeting of the Company.

**By order of the Board of Directors  
For CHEMCRUX ENTERPRISES LIMITED**

**Place: Vadodara  
Date: 15.07.2017**

**Sd/-  
GIRISH SHAH  
CHAIRMAN  
DIN: 00469291**

**Annexure : Details of Directors seeking re-appointment at the forthcoming Annual General Meeting**

(PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Name of Director	Girish Shah
Date of Birth	29/06/1956
Date of Appointment	15/04/1996
Expertise in Specific Functional Area	Management, Administration & Chemical Engineering
Qualifications	B.E.(Chem. Eng.), Bachelor of Engineering D.I.I.Sc.(IM), Post Graduate in Industrial Management
Directors in other public limited companies	NIL
Other positions	NIL
Membership of committees in other public limited companies	NIL
Inter relationship	Promoter
Shares held in the company	18,00,080

## 2. BOARD'S REPORT

Your Directors have pleasure in presenting the 21<sup>st</sup> Board Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2017.

### 1. FINANCIAL

[Rupees in Lacs]

	2016-17	2015-16
Revenue from Operations	2749.76	2011.59
Other Income	34.71	11.99
Total Revenue	2784.47	2023.59
Less: Expenses before Interest and Depreciation	2404.41	1698.60
Less: (a) Interest	35.45	26.07
(b) Depreciation	55.44	50.00
Profit before Tax & Extra Ordinary Items	289.18	248.92
Less : Prior period expenses	00.30	2.90
Less: Prior year's Income Tax Adjustment	3.44	-
<b>Profit Before Tax</b>	<b>285.44</b>	<b>246.02</b>
<b>Less: Tax Expenses</b>		
Current Tax	80.00	66.00
Deferred Tax	55.61	6.18
<b>Profit after Tax</b>	<b>149.83</b>	<b>173.84</b>

### 2. DIVIDEND:

Your Directors have recommended a final dividend of Rs. 00.25/- per share (i.e. 2.5%) on Company's paid up equity share capital comprising of 49,36,280 nos. of equity shares of Rs. 10/- each.

### 3. OPERATIONAL HIGHLIGHTS:

The Company earned operational income of Rs. 149.83 compared to Rs.173.83 lacs for the previous year. The other income is Rs.34.71 lacs compared to Rs. 11.99 lacs in the previous year. The revenue from the operation increased 36% as compared to previous year.

### 4. INITIAL PUBLIC OFFERING & SHARE CAPITAL:

During the year under review, your company came up with an IPO of 13,36,000 Equity shares of Rs.10/- each at a premium of Rs. 8/- per share with Total Issue size of Rs. 240.48 Lacs. Your Board is really thankful for the trust posed in the Company. Subsequently the shares of the company have been listed on SME Platform of BSE since March, 2017.

At present, the Company has only one class of share – Equity shares of par value Rs. 10 each. The authorized share capital of the company is Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 4,93,62,800/- divided into 49,36,280 equity shares of Rs. 10 each. The Company has raised the fund through Public Issue of shares and the equity shares of the Company got listed on SME platform of BSE Limited.

### IPO FUNDUTILISATION:

The Company has raised the fund to meet the working capital requirement and general corporate purpose. As the Company has raised the fund in the month of March, 2017, during the year 2016-17, this fund remained unutilized.

### 5. INTELLECTUAL PROPERTY:

The Company has applied for registration of our logo as Trademark with the Trademark Registry, Ahmedabad which is accepted for publication in the Trademark General.

### 6. CREDIT FACILITIES:

The Company has been optimally utilizing its fund based and non fund based working capital requirements as tied up with State Bank of India. During the year under review, the Company was comfortable in meeting its financial requirements. Effective financial measures have been continued to reduce cost of interest and bank charges.



**7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

As such, there is no amount outstanding for payment of dividend; there is no requirement for transfer of unclaimed dividend to investor education and protection fund.

**8. SHARE CAPITAL:**

➤ **Authorised Capital:**

1. The Company has increased the authorised share capital from Rs. 3,00,00,000 (Rs. 3 Crore) to Rs. 4,00,00,000 (Rs. 4 Crore) vide Ordinary Resolution passed by the members at the 20<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016.
2. The Company has increased the authorised share capital from Rs. 4,00,00,000 (Rs. 4 Crore) to Rs. 6,00,00,000 (Rs. 6 Crore) vide Ordinary Resolution passed by the members at the Extraordinary Annual General Meeting held on 17<sup>th</sup> November, 2016.

Thus, authorised capital of the Company as on 31<sup>st</sup> March, 2017 is Rs. 6,00,00,000.

➤ **Subscribed & Paid up Capital:**

1. The Company has issued 18,00,140 Bonus Shares vide Special Resolution passed by the members at the 20<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016.
2. The Company has issued 13,36,000 shares through Public Offer authorised by the members at the Extraordinary Annual General Meeting held on 17<sup>th</sup> November, 2016.

Thus, paid up capital of the Company as on 31<sup>st</sup> March, 2017 is 4,93,62,800

**9. MATERIAL CHANGES:**

The Company has issued 13,36,000 nos. of shares through Public Offer and the equity shares of the Company got listed w.e.f. 28<sup>th</sup> March, 2017 on SME Platform of BSE Limited. The Company has raised the fund for Working capital requirement and general corporate purpose.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished

**(A) Conservation of energy:**

Steps taken / impact on conservation of energy, with special reference to the following:

- (i) steps taken by the company for utilizing alternate sources of energy including waste generated :NIL

**(B) Technology absorption:**

1. Efforts, in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. The Company has not taken any technical know how from anyone and hence not applicable. However the company has applied for registering its logo as Trademark. The Application will be published in the Trademark Journal for further process.
2. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:  
The Company has not imported any technology and hence not applicable.
3. Expenditure incurred on Research and Development :  
The Company has not incurred any expenditure on research and development

**(C) Foreign exchange earnings and Outgo:**

PARTICULARS	Amt (In Rs.)
Foreign Exchange earned in terms of actual inflows during the year	3,54,05,340
Foreign Exchange outgo during the year in terms of actual outflows	2,87,77,245

**11. RISK MANAGEMENT:**

The Company has framed a sound Risk Management Policy to identify and evaluate business risks and opportunities and the same has become integral part of Company's day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Market Risk, Government Policy risk, Liquidity risk, and Systems risk. The Company has in place adequate mitigation plans for the aforesaid risks.

**12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 is not applicable to the Company. However, Our Company has been recently awarded with BRONZE recognition level by —EcoVadis – Sustainable Supply Management for our CSR initiative.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the furnishing above information is not applicable.

**14. RELATED PARTY TRANSACTIONS:**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.chemcrux.com](http://www.chemcrux.com) under investors info/Corporate Policy link.

**15. DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Girish C. Shah, Whole Time Director retire by rotation and he is eligible for re-appointment.

During the year following changes occurred in the Board of Directors and Key Managerial Personnel during the year:

Sr. No.	Name of the person	Date of Event
1.	Mr. Alpesh Makwana was appointed as Company Secretary	01.09.2016
2.	Mr. Shailesh Patel was appointed as an Independent Director.	30.09.2016
3.	Mr. Bhanubhai Patel was appointed as an Independent Director.	30.09.2016
4.	Mr. Premchand Tiwari was appointed as Chief Financial Officer	20.12.2016

➤ **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board is under process of carrying an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

➤ **REMUNERATION POLICY:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for Determining, Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

➤ **MEETINGS:**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year eight Board Meetings and one Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The required particulars of various Committees are stated in the Corporate Governance Report, attached herewith.

➤ **DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**16. AUDIT COMMITTEE AND VIGIL MECHANISM:**

The composition and other particulars of Audit Committee are provided in the Corporate Governance Report, attached herewith.

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.chemcrux.com](http://www.chemcrux.com) under investors Info Corporate Policies/Vigil Mechanism Policy link..

**17. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. ANNUAL RETURN:**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure and the same is attached to this Report.

**19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**20. DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the year under review.

**21. AUDITORS:**

➤ **STATUTORY AUDITORS**

The Company's Auditors M/s. Naresh & Co, Chartered Accountants, Vadodara will retire at ensuring Annual General Meeting of the Company. In terms of section 139 to 141 of the Companies Act, 2013 and the Rules framed thereunder, it has been proposed to make appointment of M/s. Talati & Talati, Chartered Accountants, as Auditors of the Company to hold the office from the conclusion of ensuing Annual General Meeting until conclusion of 22<sup>nd</sup> Annual General Meeting. As required under Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

➤ **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. Kashyap Shah & Co., a Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure".

➤ **INTERNAL AUDITORS:**

The Company is in the process of appointing Internal Auditor.

**22. OBSERVATION OF AUDITORS:**

There are no qualifications, reservations or adverse remarks made by the Auditors.

**23. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

**24. SHARES:**

**a. BUY BACK OF SECURITIES:**

The Company has not bought back any of its securities during the year under review.

**b. SWEAT EQUITY:**

The Company has not issued any Sweat Equity Shares during the year under review.

**c. BONUS SHARES:**

The Company has issued 18,00,140 nos of Bonus shares approved by the members of the Company at its Annual General Meeting for the Financial Year 2015-16 held on 30<sup>th</sup> September, 2016.

**d. EMPLOYEES STOCK OPTION PLAN:**

The Company has not provided any Stock Option Scheme to the employees.

**e. Fresh issue of shares:**

The Company has issued 13,36,000 nos. of equity shares through Public Offer.

**25. CORPORATE GOVERNANCE:**

Provisions relating to Corporate Governance Report under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to SME listed Company. However, as a better corporate practice, a separate Section on Corporate Governance has been annexed.

**26. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report is appended as Annexure - to this Report.

**27. PARTICULARS OF EMPLOYEES:**

Disclosure under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with reference to remuneration of employees in excess of the limits prescribed is not applicable because there is no employee drawing such salary.

**28. COST AUDIT:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 dated 31/12/2014, the activity of your Company falls under Non-regulated sectors and hence, cost audit is not applicable to the Company for the Financial Year 2016-17.

**29. HUMAN RESOURCES:**

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance.

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

The Company has in place an anti Sexual Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

**31. ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board of Directors  
For CHEMCRUX ENTERPRISES LIMITED**

**Place: Vadodara  
Date: 15.07.2017**

**Sd/-  
GIRISH SHAH  
CHAIRMAN**

## **2.1 Annexure- to the Board's Report 2016-17**

### **Management Discussion and Analysis**

#### **1. INDUSTRY STRUCTURE & DEVELOPMENTS:**

##### **Pharmaceutical Industry - Global and Indian:**

The global pharmaceutical market is expected to reach \$ 1.3 trillion by 2018, due to increased global spending driven by population growth, an aging population and improved access in pharmerging markets. Many of the countries are implementing healthcare reforms to ensure universal coverage. The developed market –led by the United States, the major five European markets and Japan had been the primary drivers of increased growth, while other countries are expected to increase their contribution to growth over next five years and account for nearly 50% of absolute growth by 2018.

The Indian pharmaceutical market is the third largest in terms of volume and thirteen largest in terms of value. Its revenue is estimated to grow at 15 per cent per annum between 2015 and 2020, thus outperforming the global pharmaceutical industry. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. Economic prosperity, increased drugs affordability and increasing penetration of health insurance along with government initiatives like 'Pharma Vision 2020' will propel India to become a global leader as an end-to-end drug manufacturer. The Government of India is committed to setting up robust healthcare and delivery mechanisms.

##### **Chemical Industry- Global and Indian:**

Global chemical market size was estimated at \$4.3 trillion in 2015 and is expected to grow at 5-6 percent per annum over the next 5 years to reach \$5.7 trillion by 2020. Indian chemical market size stands at \$147 billion in 2015. Despite its large size and significant GDP contribution, Indian chemical industry currently accounts for only 3 percent of the world chemical market. India ranks 14th in the world exports of chemicals (excluding pharmaceutical products) and ranks 8th in the world imports of chemicals (excluding pharmaceutical products) with a valuation of \$29.76 billion in 2014.

Chemical sector accounted for 2.5 percent of the overall GVA (at 2011-12 prices) in 2013-14, compared to 2.45 percent in 2012-13. The share of this sector in the GVA for manufacturing sector at 2011-12 prices was 13.84 percent during 2013-14 as compared to 13.38 percent in 2012-13. Net imports have grown at 17 percent between 2011 and 2015. Consumption of major chemicals has also witnessed 6 percent CAGR between FY11 and FY15. - *Source: Tata Strategic Management Group.*

Globally, the chemical industry grew only by 2.1% in 2016 due to low demand. The Indian industry has fared better and company growth rates have been in higher single digits as relatively stronger domestic consumption has ensured that Indian chemical companies enjoyed better growth compared to their global peers. The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP

#### **2. OPPORTUNITIES & THREATS:**

##### **Strength & Opportunities**

The Company has been continuously striving to keep its costs to minimum possible to aggressively compete with Indian & global competitors. Moreover, slowly India is getting competitive with respect to global manufacturers, as global environmental rules are becoming stringent like that of India. In China, too, a tectonic shift is under way, as its economy moves from being export driven to one based on domestic consumption. Moreover, global players prefer Indian manufacturers due to better documentation and reliability. Company has well established QMS & EMS being ISO 9001 & ISO 14001 certified since many years.

The Company continues to work on economies of scale & widening product portfolio. Our company falls under MSME sector due to which it enjoys various incentives. Company has great advantage of highly motivated manpower & this helps in continual process improvements & cost reductions. Our Company mainly focuses on customised products. Also, due to in-house technical expertise, our Company has strength of versatility in product range & able to stand in the market competitively. Company being Process driven, rather than Product driven, gives strength to absorb sudden impacts, if any, on our various Product demands.

**3. RISKS AND CONCERNS:**

The Company has already installed greener technologies like CNG fired boilers, economizers etc. to save power and fuel costs. However, Variation in crude oil prices would always be area of concern. The Company was able to cope up with these pressures in the past due to strong operational efficiency.

Extreme volatility of exchange rate of rupee against US dollar can have significant impact on the Company's operations because company has substantial imports. Any major change in Environment Policy by Government can affect the production on short term basis.

MSME chemical companies rely on supplies from larger plants, or petrochemical units & Inputs for a chemical plant cannot be easily substituted.

**4. SEGMENT WISE PERFORMANCE:**

For the year 2016-17, around 100% of the total sales of the company came from Intermediates for bulk Drugs (API), Dyes & pigment industries segment. Your Company also had almost 90% capacity utilization in Chlorosulfonation & Oxidation facilities - manufacturing intermediates for bulk Drugs (API), Dyes & pigment industries. Many of them are import substitutes manufactured for the first time in India.

**5. OUTLOOK:**

With 2017 estimates of Global chemical industry at USD4.5 trillion & Indian chemical industry at USD224 billion against 2015, Global chemical industry at USD 3.26 trillion & Indian chemical industry at USD144 billion, contribution to global chemical industry would increase. It gives Strong growth outlook for the Indian chemicals industry.

With the increase of government support and initiatives to promote Micro, Small and Medium Enterprises through investments, tax benefits, subsidies etc. will help the industry to grow over the coming years. In the year 2016-17, the Company has come up with Public Issue and infused the fund to meet the working capital requirement. Our Company always strives to cater the customized demand and our main focus is to cater the need of the Pharmaceutical Industry, Dyes Industry, Pigments Industry and our company has achieved target revenues with high level of customer satisfaction. With very robust demand for company's products, Company has potential for adding capacities in coming period.

Being largely an intermediate product manufacturing company, strong economic growth is an important factor in sustaining demand for chemical products. GST implementation is expected to reduce the logistics cost for chemical industry by 10-15 percent which will directly add to their bottom-line. The Company is in the continuous process of improvement of the existing products efficiencies and to cater to the need of the emerging demand which is in synergy of chemistries handled by the company.

**6. ENVIRONMENT HEALTH & SAFETY:**

Company has appropriate Waste Management Systems for Air, liquid & solids. Safe disposal of waste, treating effluents to manufacture an eco-friendly by-product and In-house team ensuring pollution control & energy conservation - are some of the ways adopted by CEL to operate in an eco-friendly manner. Continuously, the Company has innovated many more techniques to reduce the effluent generation in the process, utility and domestic areas across units to reduce the entire effluent stream. Environmental requirements are incorporated into the plant design right from the preliminary stage of a process. Air scrubbers, dust filters, fire protection systems and Effluent Treatment Plants are in place & well maintained. Company is also member of CETPs for their various liquid effluents. Regular safety drills ensure that readiness for safety gets top priority. We will strive to further improve ourselves to create safer working conditions for our workers.

**7. INTERNAL CONTROL SYSTEM:**

The Company has sound and adequate internal control systems commensurate with its size and nature of business. We constantly upgrade our systems for incremental improvements. The Audit Committee of the Board periodically reviews these systems. These systems ensure protection of assets and proper recording of transactions and timely reporting. Internal auditor will be conducted out by an independent professional firm on regular basis. The Audit Committee also regularly reviews the periodic reports of the Statutory Auditors and Accounts departments. The Company has trained the staff in order to upgrade with the recent changes in the taxation like GST. Audit Committee constantly tries to add value by evaluating existing systems.

**8. FINANCIAL & OPERATIONAL PERFORMANCE:**

As you are aware, our Company was incorporated in April 1996 to undertake the business of manufacturing or processing of Bulk Drug Intermediates like Para Chloro Benzoic, Ortho Benzoic Acid, and Lasamide etc.

The Company started its business activities in the year 2000-01 by taking over the running business of M/s. Chemcrux, a partnership firm of the promoters, as a going concern.

The Company has grown progressively on year-to-year basis through addition of new products as well as continuous upgradation and expansion of its manufacturing facilities. The Company has a healthy turnover and profit track record and has a robust outlook for the future.

The Company made its initial public offering in March, 2017 and met with overwhelming response wherein the public offering was oversubscribed by more than 55 times, a testament to the growth story and future outlook of the Company. The Company was listed on the Bombay Stock Exchange on 28th March, 2017.

The Company has achieved a remarkable turnover of Rs. 27.50 Crores which is a jump of about 37% compared to earlier year in terms of value and in terms of volume also, the highest in the history of the Company till date. Despite of slow global economic recovery and nation-wide challenging environment in Pharmaceutical Sector, it was only with aggressive strategies on various fronts and the relentless efforts of the Directors that the Company managed to register the above growth in terms of volume. In absolute terms, the Profit Before Taxes remained marginally higher however, in relative terms, the Profit Before Taxes as well as Profit after Taxes for the current year is lesser as compared to the preceding year. It is preliminarily due to increase in cost of material consumed as compared to preceding year and due to increase in other costs like Effluent Treatment charges. The PBT for the year stood at Rs. 2.85 Crores as compared to PBT of Rs. 2.46 Crores in the preceding year. During the year, a major addition was carried out in the Fixed Assets of the Company which resulted into creation of Deferred Tax Liability which further resulted into lowering of Profit After Taxes for the year. PAT for the year stood at Rs. 1.50 Crores as compared to Rs. 1.73 Crores for the preceding year.

Value in our industry is all about creating and delivering quality, while keeping costs in check and almost every value focused agency in our sector is working towards that goal. Your Company is making all such efforts to move in the same direction.

For the coming year, the outlook is very positive. Overall it is expected to be a positive year for growth and profitability. And once again with a combination of efficient production, timely delivery, aggressive strategies on various fronts and the relentless efforts we shall definitely do our best to deliver yet another record breaking year ahead both in terms of top line and profit growth.

**9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Human capital has always been the most important and valuable asset to the Company. Your Company continued its activities during the year in a cordial atmosphere with utmost co-operation amongst employees and the management. As of the date of the report, the total number of the employees of Company is 60. The management is committed to promote safety, occupational health and proper environment in designing, planning, training and completion of all tasks. Trainings are imparted to workmen in various new techniques and systems.

**For and on behalf of the Board of Directors  
For CHEMCRUX ENTERPRISES LIMITED**

**Place: Vadodara  
Date: 15.07.2017**

**Sd/-  
GIRISH SHAH  
CHAIRMAN**



**2.2 Annexure- to the Board's Report 2016-17**  
**Secretarial Audit Report**

(For the Financial year ended on 31st March, 2017)

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

**To,**  
**The Members,**  
**CHEMCRUX ENTERPRISES LIMITED**  
**T-7, National Plaza,**  
**R C Dutt Road,**  
**Vadodara – 390 007**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by CHEMCRUX ENTERPRISES 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 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 audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. 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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011 regarding the Companies Act and dealing with client.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period. and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period.

We have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Further, as per representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company. There are adequate systems and processes in the company to monitor and ensure compliance.

1. The Water (prevention and control of pollution) Act, 1974 & Rules.
2. Air (Prevention & Control of Pollution) Act, 1981 & Rules.
3. Environment Protection Act, 1986 & Rules.
4. Hazardous Waste (Management & Handling) Rules, 1989.
5. Indian Boiler Regulations, 1950.

**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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit period, all the decisions were taken by the Board of Directors or Committee of the Board without any dissent by any of the Directors of the Company as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further 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 audit period, the Company has passed following major resolutions at AGM/EOGM:

- (a) On 30.09.2016, the members approved issue of 18,00,140 equity shares as Bonus to the members.
- (b) On 30.09.2016, Authorised Capital increased from Rs. 3 crores to Rs. 4 crores and on 17.11.2016 the Authorised Capital increased from Rs. 4 crores to Rs. 6 crores.
- (c) The Company issued 13,36,000 shares through Public Offer authorised by the members at the Extraordinary Annual General Meeting held on 17.11.2016 and listed on the SME platform of BSE Limited on 28.03.2017.

**For Kashyap Shah & Co.  
Practising Company Secretaries**

Sd/-  
(Kashyap Shah)  
Proprietor  
FCS No. 7662. CP No. 6672

**Place: Vadodara  
Date: 15.07.2017**

**Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.**

**Annexure to Secretarial Audit Report**

**To,  
The Members,  
CHEMCRUX ENTERPRISES LIMITED  
T-7, National Plaza,  
R C Dutt Road,  
Vadodara – 390 007**

Our report of even date is to be read along with this letter.

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 the 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 to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided 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.
4. Wherever 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 procedures on test basis.
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 Kashyap Shah & Co.  
Practising Company Secretaries**

**Sd/-  
(Kashyap Shah)  
Proprietor  
FCS No. 7662. CP No. 6672**

**Place: Vadodara  
Date: 15.07.2017**

**2.3 Annexure- to the Board's Report 2016-17**

**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 transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions **not at arm's length basis** : NIL

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date of special resolution as per first proviso to section 188

2. Details of material contracts or arrangement or transactions **at arm's length basis** : Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any

Place: Vadodara  
Date: 15.07.2017

**On behalf of the Board  
CHEMCRUX ENTERPRISES LIMITED**

**Sd/-  
GIRISH C SHAH  
Chairman**

**2.4 Annexure- to the Board's Report 2016-17**

<b>Form No. MGT-9</b> <b>EXTRACT OF ANNUAL RETURN</b> as on the financial year ended on <b>31.03.2017</b> [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]			
---	--	--	--

<b>I. REGISTRATION AND OTHER DETAILS:</b>			
i)	CIN	:	L01110GJ1996PLC029329
ii)	Registration Date	:	15/04/1996
iii)	Name of the Company	:	CHEMCRUX ENTERPRISES LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company having Share Capital (Limited by Shares)
v)	Address of the Registered office and contact details	:	T-7national Plaza, R. C. Dutt Road, Vadodara E-mail : <a href="mailto:girishshah@chemcrux.com">girishshah@chemcrux.com</a> Phone No.-0265 2344803
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Bigshare Services Private Limited, Add: 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol , Andheri – East, Mumbai – 400059 E-mail id: info@bigshareonline.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
01.	Manufacturing of Chemical Intermediates for bulk drugs, dyes, pigments etc.	29163190	100%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :</b>					
[ No. of Companies for which information is being filled ]					
<b>Sr. NO.</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
NIL	NIL	NIL	NIL	NIL	2 (87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

<b>i) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year – 01.04.2016				No. of Shares held at the end of the year – 31.03.2017				% 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	Nil	18,00,137	18,00,137	99.9998	3600278	Nil	3600278	72.94	27.06
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corpo.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A)</b>	<b>Nil</b>	<b>18,00,137</b>	<b>18,00,137</b>	<b>99.9998</b>	<b>3600278</b>	<b>Nil</b>	<b>3600278</b>	<b>72.94</b>	<b>27.06</b>

<b>(1):-</b>									
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corpo.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other ....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>Nil</b>	<b>18,00,137</b>	<b>18,00,137</b>	<b>99.9998</b>	<b>3600278</b>	<b>Nil</b>	<b>3600278</b>	<b>72.94</b>	<b>27.06</b>
<b>B. Public Shareholding</b>	<b>Nil</b>	<b>18,00,137</b>	<b>18,00,137</b>	<b>99.9998</b>	<b>3600278</b>	<b>Nil</b>	<b>3600278</b>	<b>72.94</b>	<b>27.06</b>
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(S)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	96000	Nil	96000	1.94	1.94
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	Nil	3	3	0.0002	696002	Nil	696002	14.10	14.10
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	Nil	Nil	Nil	Nil	96000	NIL	96000	1.94	1.94
c) Others									

(Specify)									
CLEARING MEMBER	Nil	Nil	Nil	Nil	448000	Nil	448000	9.08	9.08
Foreign Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
HUF	Nil	Nil	Nil		Nil		Nil	Nil	Nil
Trust & Foundation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>Nil</b>	<b>3</b>	<b>3</b>	<b>0.0002</b>	<b>13,36,002</b>	<b>Nil</b>	<b>13,36,002</b>	<b>27.065</b>	<b>27.065</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>Nil</b>	<b>3</b>	<b>3</b>	<b>0.0002</b>	<b>13,36,002</b>	<b>Nil</b>	<b>13,36,002</b>	<b>27.065</b>	<b>27.065</b>
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>Nil</b>	<b>18,00,140</b>	<b>18,00,140</b>	<b>100.00</b>	<b>49,36,280</b>	<b>Nil</b>	<b>49,36,280</b>	<b>100.00</b>	<b>NIL</b>

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		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	
1	Girish Champaklal Shah	9,00,040	49.998	Nil	18,00,080	36.47	Nil	13.53
2	Sanjay Yashwantrao Marathe	9,00,040	49.998	Nil	18,00,080	36.47	Nil	13.53
	<b>Total</b>	<b>18,00,080</b>	<b>99.9998</b>	Nil	<b>36,00,160</b>	<b>72.94</b>	Nil	27.058

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
<b>1</b>	<b>Girish Shah</b>				
1.	At the beginning of the year	9,00,040	49.998	18,00,80	36.47
2.	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Issue of bonus shares vide dtd. 30.09.2016.	9,00,040	24.99	18,00,80	36.47

3.	At the end of the year	18,00,80	36.47	18,00,80	36.47
<b>2.</b>	<b>Sanjay Marathe</b>				
1.	At the beginning of the year	9,00,040	49.998	18,00,80	36.47
2.	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Issue of bonus shares vide dtd. 30.09.2016.	9,00,040	24.99	18,00,80	36.47
3.	At the end of the year	18,00,80	36.47	18,00,80	36.47

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

Sl. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
1.	MARWADI SHARES AND FINANCE LTD.	NIL	NIL	48000	0.9724
2.	PANTOMATH STOCK BROKERS PRIVATE LIMITED	NIL	NIL	40000	0.8103
3.	ANAND RATHI SHARE & STOCK BROKERS LIMITED	NIL	NIL	40000	0.8103
4.	PANTOMATH STOCK BROKERS PRIVATE LIMITED	NIL	NIL	32000	0.6483
5.	SUSHIL FINANCIAL SERVICE PVT LIMITED	NIL	NIL	32000	0.6483
6.	ADHEESH KABRA	NIL	NIL	24000	0.4862
7.	ANGEL BROKING PRIVATE LTD.	NIL	NIL	24000	0.4862
8.	EDELCAP SECURITIES LIMITED	NIL	NIL	24000	0.4862
9.	EDELWEISS CAPITAL MARKETS LIMITED	NIL	NIL	24000	0.4862
10.	ANIK PRAVIN MALDE	NIL	NIL	24000	0.4862

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Particulars	Shareholding at the end of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	GIRISH CHAMPAKLAL SHAH	Chairman	18,00,80	36.47	18,00,80	36.47
2.	SANJAYBHAI YASHWANTRAO MARATHE	Managing Director	18,00,80	36.47	18,00,80	36.47
3.	SIDHDHI GIRISH SHAH	Director	40	NIL	NIL	NIL
4.	NEELA SANJAY MARATHE	Director	24	NIL	NIL	NIL
5.	BHANUBHAI VASHRAMBHAI PATEL	Independent Director	NIL	NIL	NIL	NIL
6.	SHAILESHKUMAR HASMUKHLAL PATEL	Independent Director	NIL	NIL	NIL	NIL
7.	PREMCHAND	CFO	NIL	NIL	NIL	NIL



	VASHITHAMUNI TIWARI					
8.	ALPESH SOMJI MAKWANA	CS	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedne ss (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	2,59,58,400	<b>8,66,145</b>	0.00	2,68,24,545
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>2,59,58,400</b>	<b>8,66,145</b>	<b>0.00</b>	<b>2,68,24,545</b>
<b>Change in Indebtedness during the financial year</b>				
Addition		0.00	0.00	0.00
Reduction	6,14,963	3097	0.00	6,18,060
<b>Net Change</b>	<b>(6,14,963)</b>	<b>(3097)</b>	<b>0.00</b>	<b>6,18,060</b>
<b>Indebtedness at the end of the financial year</b>				
I) Principal Amount	2,53,43,437	8,63,048	0.00	2,62,06,485
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>2,53,43,437</b>	<b>8,63,048</b>	<b>0.00</b>	<b>2,62,06,485</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/ or Manager: (In Rs.)

SR. No	Particular of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Girish Shah (WTD)	Sanjay Marathe (MD)	
1.	Gross salary (Rs.)	30,00,000	30,00,000	60,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.			
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.			
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2	Stocks Option			
3	Sweat Equity			
4	Commission			
	- As % of profit			

	- Other , specify			
5	Others, Please specify			
	<b>Total (A)</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>60,00,000</b>

**B. Remuneration to other Directors:**

**1. Independent Directors:**

(Rs.)

Sr. No	Particular of Remuneration	Name of the Director		Total Amount
	<b>1. Independent Directors</b>	<b>Shri. Bhanubhai Patel</b>	<b>Mr. Shailesh Patel</b>	
	<ul style="list-style-type: none"> <li>Fees for attending Board /Committee meetings</li> <li>Commission</li> <li>Other, Please specify</li> </ul>	4,000 - -	4,000 - -	8,000 - -
	<b>Total (1)</b>	<b>4,000</b>	<b>4,000</b>	<b>8,000</b>
	<b>2. Other Non-Executive Directors</b>	<b>Mrs. Sidhhi Shah</b>	<b>Mrs. Neela Marathe</b>	
	<ul style="list-style-type: none"> <li>Fees for attending board committee meetings</li> <li>Commission</li> <li>Other, Please specify</li> </ul>	6,000 - -	5,000 - -	11,000 - -
	<b>Total (2)</b>	<b>6,000</b>	<b>5,000</b>	<b>11,000</b>
	Total (B) = (1+2)	10,000	9,000	19,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Premchand Tiwari, CFO (Amount in Rs.)	Mr. Alpesh Makwana, CS (Amount in Rs.)
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15,000/-	1,05,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of Profit - Others, specify....	Nil	Nil
5.	Others, please specify	Nil	Nil
	<b>Total</b>	<b>15,000/-</b>	<b>1,05,000/-</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies	Brief Description	Details of Penalty / Punishment/	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
------	--------------------------	-------------------	----------------------------------	------------------------------	------------------------------------

	<b>Act</b>		<b>Compounding fees imposed</b>		
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

**FOR CHEMCRUX ENTERPRISES LIMITED**

**Sd/-  
GIRISH C. SHAH  
CHAIRMAN**

**Date: 15.07.2017  
Place: Vadodara**

## 2.5 Annexure- to the Board's Report 2016-17 CORPORATE GOVERNANCE REPORT

### A. MANDATORY REQUIREMENTS

#### 1. Company's Philosophy on Code of Governance:

The Company's purpose is business and to maximize long-term shareholder value by selling its goods and services. Therefore, our Corporate Governance processes are directed at ensuring that Company's actions, assets and agents are directed to achieving this purpose while complying with the Code of Governance and the Company's own policies and expectations and covers aspects such as ethical conduct, health, safety and the environment; control and finance; commitment to employees; and relationships.

Company's corporate governance conforms to regulatory and legal requirements, such as the terms of Listing Agreements with Stock Exchanges. In addition, it incorporates several practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Board lays emphasis on integrity and accountability.

#### Key aspects of the Company's Governance Processes are:

- Clear statements of Board Processes and Board Executive linkage.
- Disclosure, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the Company to enable the Board in effectively discharging its responsibilities to the stakeholders of the Company.
- Identification and management of key risks to delivery of performance of the Company.

#### 2. Board of Directors:

The Management of your Company is entrusted to the Managing Director.

Your Board of Directors closely monitors the performance of the Company and its Management, accord approvals and reviews strategies and, determines the remuneration of the management based on its performance. Your Board ensures legal and ethical conduct and high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long-term health of the Company.

#### (a) Composition & Category of Directors

Category	Number of Directors	%
Non-Executive and Independent Directors	04	66.67
Other Non-Executive Directors including the Chairman	NIL	NIL
Executive Director (Managing Director & Whole Time Director)	02	33.33
Total	06	100.00

As of the year ended 31<sup>st</sup> March, 2017, the Board of Directors had 6 (six) members that includes two woman director. The Board comprises of 4 (six) Non-Executive Directors, Mr. Sanjay Marathe, Managing Director and Mr. Girish Shah, Whole Time Director and Executive Chairman and being the two Whole time/Executive Directors. The Chairman of the Board is Executive Director.

The Non-Executive Directors included Mr. Shailesh Patel and Shri. Bhanubhai Patel who are Independent Directors and Mrs. Sidhhi Shah and Mrs. Neela Marathe is Non-Executive Directors.

Accordingly, the numbers of independent directors or numbers of non-executive directors are in agreement with the numbers stipulated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(b) Number of Board Meetings held, dates on which held and Attendance of each Director at the Board Meetings and the last Annual General Meeting :**

**(I) Board Meetings held during the Year: 08**

Dates on which Board Meetings were held	Total Strength of Board	No. of Directors Present
25.04.2016	04	2
01.08.2016	04	4
01.09.2016	04	3
17.10.2016	06	3
20.12.2016	06	5
05.01.2017	06	4
06.03.2016	06	3
24.03.2016	06	3

**(II) Attendance of Directors at Board Meeting and Annual General Meeting:**

Name of the person / Date of BM	Girish Shah	Sanjay Marathe	Sidhdhi Shah	Neela Marathe	Shailesh Patel	Bhanubhai Patel
25.04.2016	PRESENT	ABSENT	PRESENT	ABSENT	N.A.	N.A.
01.08.2016	PRESENT	PRESENT	PRESENT	PRESENT	N.A.	N.A.
01.09.2016	PRESENT	PRESENT	ABSENT	PRESENT	N.A.	N.A.
17.10.2016	ABSENT	PRESENT	ABSENT	PRESENT	PRESENT	ABSENT
20.12.2016	PRESENT	PRESENT	PRESENT	PRESENT	ABSENT	PRESENT
05.01.2017	PRESENT	PRESENT	PRESENT	PRESENT	ABSENT	ABSENT
06.03.2017	PRESENT	ABSENT	PRESENT	ABSENT	ABSENT	PRESENT
24.03.2017	PRESENT	ABSENT	PRESENT	ABSENT	PRESENT	ABSENT
<b>Total Board Meeting Attendance</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>2</b>

**(III) EXTRA ORDINARY GENERAL MEETING ATTENDANCE**

Name of the person / Date of MM	Girish Shah	Sanjay Marathe	Sidhdhi Shah	Neela Marathe	Shailesh Patel	Bhanubhai Patel
30.09.2016	PRESENT	PRESENT	ABSENT	PRESENT	N.A.	N.A.
17.11.2016	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT	ABSENT
<b>TOTAL EOGM ATTENDANCE</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>

**(c) Number of other Boards or Board Committees in which the Director is a Director/Member/Chairperson**

Name of the Director(s)	Number of other Companies in which Director (including Alternate/Nominee Director)	Number of Committees (other than CHEMCRUX ENTERPRISES LIMITED) in which Chairman / Member	
		Chairman	Member
Mr. Bhanubhai Patel	01	NIL	NIL

**(d) Directors Profile:**

A brief profile of all the Directors on the Board is given herein below:

**1. Girish Shah, Promoter, Chairman and Whole Time Director**

Girish Shah aged 60 years, is the Promoter Chairman and Whole Time Director of our Company. He has been the Director of the Company since incorporation and is also one of the subscribers of MOA of our Company. He holds a degree in Bachelor of Engineering in Chemical from the Maharaja Sayajirao University of Vadodara and post-graduation in Industrial Management from Indian Institute of Science, Bangalore. He has an experience of about more than 30 years in chemical industry. At present he is heads Marketing and Finance division of the Company.

**2. Sanjaybhai Marathe, Promoter and Managing Director**

Sanjaybhai Marathe, aged 60 years, is the Promoter and Managing Director of our Company. He has been the Director of the Company since incorporation and is also one of the subscribers of MOA of our Company. He holds a degree in Bachelor of Engineering in Chemical from The Maharaja Sayajirao University of Vadodara (M.S University) and Master Degree (M.Tech) from Indian Institute of Technology (IIT), Powai. He has an experience of about more than 30 years in chemical industry. At present he is involved in overall production activities of the Company.

**3. Shaileshkumar Patel, Independent Director**

Shaileshkumar Patel aged 59 years has been appointed as Independent Director of our company with effect from September 30, 2016. He has completed his Bachelor of Commerce and Bachelor of law from, Maharaja Sayajirao University of Vadodara.

**4. Bhanubhai Patel, Independent Director**

Bhanubhai Patel aged 65 years has been appointed as Independent Director of our with effect from September 30, 2016. He has completed his Bachelor of Science from Gujarat University and B.Sc Teach. From University Department of Chemical Technology (UDTC), Mumbai, Maharashtra. He has experience of more than 35 years in the industry.

**5. Neela Marathe, Non Executive Director**

Neela Marathe, aged 55, is appointed as Non-Executive Director of our Company since December 31, 1999 and she is also one of the subscribers of MOA of our Company.

**6. Sidhdhi Shah, Non Executive Director**

Sidhdhi Girish Shah, aged 56 is appointed as Non Executive Director of our Company since December 31, 1999 and she is also one of the subscribers of MOA of our Company.

**3. Audit Committee**

**(a) Terms of Reference:**

The terms of reference of this Committee include matters mandated in the Listing Agreement and the Companies Act, 2013, respectively. The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors and to meet them to discuss their findings, suggestions and other related matters, financial results, effectiveness of internal audit processes, Company's risk management strategy and Company's established systems and procedures. The Audit Committee also reviews the functioning of the Whistle Blower mechanism. Besides having access to all the required information from within the Company, the Committee may obtain external professionals advice, whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company.

**(b) The Composition of Audit Committee as at 31.03.2017 and details of the Members participation at the Meetings of the Committee are as under:**

On 20<sup>th</sup> December, 2016 the Audit Committee was constituted comprising of 2 Non-Executive and Independent Directors viz. Mr. Shailesh Patel and Mr. Bhanubhai Patel and 1 Non Executive Director, Mrs. Neela Marathe.

Mr. Shailesh Patel is a Chairman of the Audit Committee. All the members of Audit Committee have financial and accounting knowledge.

Only 1 meeting was held during the financial year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. The attendance of each Member of the Committee is given below:

Name of Director	Category	Attendance at Audit Committee Meetings held on 04.03.2017	% of Attendance
Mr. Shailesh Patel	Independent Director	Present	100
Mr. Bhanubhai Patel	Independent Director	Present	100
Mrs. Neela Marathe	Non Executive Director	Absent	00

#### 4. Nomination and Remuneration Committee

##### (a) Terms of Reference

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

##### (b) The Composition of the Nomination and Remuneration Committee was constituted on 20<sup>th</sup> December, 2016 and details of the Members participation at the Meetings of the Committee are as under:

On 20<sup>th</sup> December, 2016 the Nomination and Remuneration Committee was constituted comprising of 2 Non-Executive and Independent Directors viz. Mr. Shailesh Patel and Mr. Bhanubhai Patel and 1 Non Executive Director, Mrs. Sidhdhi Shah.

Name of Director	Category	Attendance at Audit Committee Meetings held on 04.03.2017	% of Attendance
Mr. Shailesh Patel	Independent Director	Present	100
Mr. Bhanubhai Patel	Independent Director	Present	100
Mrs. Sidhdhi Shah	Non Executive Director	Absent	100

#### Remuneration Policy

##### Sitting Fees:

The Company pays sitting fees of Rs.1,000/- for attending the meeting of the Board of Directors and for attending the meeting of the Committee of Directors to Non-Executive Director(s).

##### Managing and Executive Directors:

The Company pays remuneration to its Managing Director and Whole Time Director by way of salary, allowances and perquisites as per the Company's rules. The salary and other perquisites are approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and the salary is paid within the overall limits approved by the members of the Company. The Board on the recommendation of Nomination and Remuneration Committee approves the annual increment effective 1<sup>st</sup> April each year.

The Remuneration paid to the Directors is as per the Extracts of the Annual Return as mentioned in the Form MGT-9 in the report.No sitting fee is paid to Executive Directors.

Remuneration paid to Executive Directors includes Company's contribution to Provident Fund and Pension Fund.

**1. Introduction: Remuneration Policy:**

The remuneration policy for members of the Board of Directors and Executive Management of CHEMCRUX ENTERPRISES LIMITED (herein after referred to as "CHEMCRUX") reflects the interest of the shareholders and the Company taking into consideration any specific matters, including the assignments, the responsibilities undertaken and also be competitive with the external market. The Company recognizes the benefit of a Board that possesses the right balance of skills, knowledge, experience, expertise and diversity of perspective.

**2. The Nomination and Remuneration Committee** shall formulate eligible criteria for nomination and selection of Directors and recommended remuneration policy for the directors.

**3. Appointment and Qualification of the Directors and the Composition of the Board shall be governed by the Nomination and Remuneration Committee.**

In recognition of the fact that the selection of qualified directors is complex and crucial to the long-term success of the Company, the Nomination and Compensation Committee has established the following guidelines for the identification and evaluation of candidates for the membership on the Company's Board of Directors.

Candidates should be distinguished individuals who are prominent in their fields or otherwise possess exemplary qualities that will enable them to effectively function as directors of the Company. While the Nomination and Compensation Committee may not believe it appropriate at this to establish any specific minimum qualification for candidates, the Committee shall focus on the following qualities in identifying and evaluating candidates for Board membership.

**Board Membership Criteria**

- Educational background, business experience and skills
- Charter, reputation of highest ethical standards and personal integrity
- Practical wisdom, Sound Business Judgment and strong sense of professionalism
- Independence and objectivity
- Diversity and multi-cultural experience and understanding
- Strong understanding of marketing, finance and other disciplines relevant to the success of business.
- Willingness to commit, as well as have sufficient time to discharge his or her duties to the Board.
- Ability to consider and understand all the constituencies of the Company, which includes stockholders, employees, customers, governmental units, creditors and the general public.
- Any other factors that the Nomination and Compensation Committee may consider to be relevant and appropriate for the appointment.

Recognizing that the overall composition of the Board is essential to the effective functioning of the Board the Nomination and Compensation Committee shall make appointment in the context of the existing composition of the Board so as to achieve an appropriate mix of backgrounds, skills, diversity and qualities. In making its determinations, the Nomination and Compensation Committee shall take into account all applicable legal, regulatory and stock exchange requirements concerning the composition of the Board and its committees.

**4. Evaluation Criteria:**

The Board constantly evaluates the contribution of the members and re-appoints them for tenure as per company requirement based on their performance linked to strategic objectives of the Company. Evaluation criteria may be membership accountability, governance, board operations, legal responsibilities, financial overview, board management relations and personal leadership.

**5. Remuneration to the Board of Directors and Executive Management:**

The remuneration of the Board of Directors and Executive Management is set by the Nomination and Remuneration Committee under the delegated powers of Board.

Efforts are made to ensure that the remuneration of the Managing Director / Wholetime Director matches the level in comparable companies, whilst also taking into consideration board members'



required competencies, qualification, efforts and scope of the board work, including the number of meetings.

Attracting and retaining top talent is the key objective of our approach to remuneration. This is done keeping in mind that the competitive and fair awards are linked to the key deliverable and also aligned with the market practices and stakeholders' expectations.

Accordingly, the Board of Directors believes that a combination of fixed and performance based pay to the Executive Management helps ensure the Company can attract, motive and retain key employees while reflecting the short and long term performance objectives and goal of the Company.

**6. Linkage to Performance:**

The relationship of remuneration to performance is clear and ties the larger part of remuneration to long-term performance. The level varies according to performance relative to measure linked directly to strategic priorities.

**7. Policy on Diversity:**

CHEMCRUX is committed to the highest standards of corporate governance, transparency and accountability. Hence, we strive to leverage Diversity to contribute to the achievement of Chemcrux's strategic objectives.

Accordingly, the Board aims to attract and maintain a Board which has an appropriate mix of Diversity, education, skills, knowledge, experience, expertise and cultural background. The Shilchar Board recognizes the value of appointment of individual who bring a variety of diverse opinions, perspectives, skills, experience, background and orientations to its business decision and its decision-making processes.

An overriding principle is that all appointment to the Board will be based upon the merit and suitability of the candidate. Taking this in to account, appointment of female members to the Board is also to add value of a more diverse board.

**8. Review of the Board Diversity Policy:**

The Nomination and Remuneration committee shall review this policy, as appropriate, to ensure the effectiveness of this policy. The nomination committee shall discuss any revision that may be required and recommend any such revisions to the Board for consideration any approval.

**9. Disclosure and Publication:**

A summary of this policy shall be disclosed in the Corporate Governance Report of the Annual Report of Company.

The aforesaid Policy has been affirmed and adopted by the Board of Directors in their Meeting held on 20/12/2016.

**5. Meeting of Independent Directors:**

The Company has complied with the definition of Independence as per Listing Regulations and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

**Training of Independent Directors:**

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture and they are also introduced to Company's organization structure, business, constitution, board procedures, major risks and management strategy. The Corporate Governance page has been placed on the Company's website at [www.chemcrux.com](http://www.chemcrux.com) under investor info.

**Performance Evaluation of non-executive and Independent Directors:**

The Board has commenced evaluating the performance of Non-executive and Independent Directors for the financial year ended on 31/03/2017 and onwards. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

**Separate Meeting of the Independent Directors:**

There shall be held a meeting of Independent Directors without attendance of Non Independent Director(s) for:

- I) reviewing the performance of non-independent directors and the Board as a whole;
- II) Reviewing the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III) Assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**6. Stakeholder's Relationship Committee:**

Our Company has constituted a *Stakeholders Relationship Committee* to redress complaints of the shareholders. The Committee was constituted vide resolution passed at the meeting of the Board of Directors held on December 20, 2016.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Shaileshkumar Patel	Chairman	Independent Director
Bhanubhai Patel	Member	Independent Director
Sidhdhi Shah	Member	Non Executive Director

**(a) Terms of Reference:**

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholder's grievances.

**(b) The Composition of the Stakeholder's Relationship Committee as at 31.03.2017 and details of the Members participation at the Meetings of the Committee are as under:**

As such, the Committee was constituted in the month of December, 2016, there is no meeting held up to 31<sup>st</sup> March, 2017. And further, there was no share holders complaint received till the 31<sup>st</sup> March, 2017.

**(c) Shareholder's Services:**

Sr. No.	Nature of Complaints	2016-17		2015-16	
		Received	Answered	Received	Answered
1.	Non receipt of Shares lodged for Demat	NIL	NIL	NIL	NIL
2.	Non receipt of Dividend Warrants	NIL	NIL	NIL	NIL
3.	Others	NIL	NIL	NIL	NIL

**7. General Body Meetings:**

Location and time for the last three AGMs:

Year	Date	Venue	Time	Special Resolution(s)
2013-14	30/09/14	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	11:00 a.m.	Not Applicable
2014-15	30/09/15	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	11:00 a.m.	Not Applicable
2015-16	30/09/16	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	11:00 a.m.	Appointment of Mr. Shailesh Patel and Mr. Bhanubhai Patel as an Independent Director, Alteration in the Memorandum of Association,

				Adoption of new set of Articles of Association, Increase in Board Powers, Issue of Bonus Shares, Reappointment of Sanjay Marathe as Managing Director and Girish Shah as Whole Time Director
--	--	--	--	--

No Postal Ballot was conducted during the year.

**Extraordinary General Meetings held during the year; the details are as below:**

Year	Date	Venue	Time	Special Resolution(s)
2015-16	17/11/2016	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	11:00 a.m.	Approval of Initial Public offer, Alteration in terms of Appointment of Girish Shah- Whole Time Director.

**8. Disclosure :**

**(i) Related party Transactions**

**The Company does not have any related party transactions, which may have potential conflict with its interest at large.**

In terms of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is complying with the relevant Accounting Standards with reference to Related Party Disclosures. Further, the Company does not have any holding/ subsidiary and associate company and hence disclosure requirement under Para A.2 of Schedule V of the Regulations are not applicable. Policy dealing with related party transaction can be accessed at [www.chemcrux.com](http://www.chemcrux.com).

**(ii) Cases of Non-Compliance:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**(III) Whistle Blower Policy / Vigil Mechanism:**

The Company has designed Whistle Blower Policy / Vigil Mechanism to enable any person dealing with the Company to raise the alarm to the Audit Committee of the Company if he has reliable information about a malpractice, unethical practice, impropriety, abuse or financial wrongdoing. The disclosure will be thoroughly investigated by the Committee. The members of the Committee may seek information from any sources inside and outside the organization to investigate this, as deemed fit.

**9. Means of Communication**

(a)	Half - yearly report sent to each household of shareholders	:	Not Applicable to our company during the last year.
(b)	Quarterly results Newspapers in which results are normally published in	:	Not Applicable to our Company
	Any website, where displayed	:	<a href="http://www.chemcrux.com">www.chemcrux.com</a>
	Whether it also displays official news releases	:	Yes
	The presentations made to institutional investors or to the analysts	:	NIL

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES.

## 10. General Shareholder information

(a)	21 <sup>st</sup> AGM Date, Time and Venue	:	Friday, 18 <sup>th</sup> August, 2017 at 2 p.m. at Baroda Rotary Club Service Centre, 62, Haribhakti Extension, Opp. ABS Tower, Old Padra Road, Vadodara
(b)	Financial calendar	:	i. April 2017 to March 2018
			ii. Half yearly Results 2017 – on or before 15 <sup>th</sup> November, 2017
			iii. Audited Results for the Fourth Quarter/ Year ending 31 <sup>st</sup> March 2018, - on or before 31 <sup>st</sup> May, 2018.
(c)	Date of Book closure	:	10/08/2017 to 18/08/2017 (both days inclusive)
(d)	Dividend Payment date	:	On or after 18/08/2017 , if declared at Annual General Meeting on 18/08/2017
(e)	Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March 2018 to BSE Limited.
(f)	(i) Stock Code – Physical	:	540395
	(ii) Demat ISIN Number for NSDL & CDSL	:	INE298W01016
(g)	Market price Date : High, Low during each month in last Financial year	:	The High / Low market price of the shares since listing on 28.03.2017 is 36.70 and 21.60 respectively.
(h)	Stock Performance in comparison to Broad-based indices BSE Sensex.	:	N.A.
(i)	Registrar and Transfer Agents	:	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol , Andheri – East, Mumbai – 400059 E-mail id: info@bigshareonline.com
(j)	Share Transfer System	:	All the transfer and transmission requests are processed on fortnightly basis by Bigshare Services Private Limited, being the Registrar & Transfer Agent (RTA). To facilitate prompt services, the RTA is also authorized to approve the transfers and dispatch the share certificates within stipulated time frame, if any.

(l)	Dematerialization of Shares and liquidity	:	100% of the paid-up capital has been dematerialized as on 31 <sup>st</sup> March, 2017.
(m)	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.	:	The company has not issued any GDRs / ADRs / Warrants or any convertible instruments
(n)	Commodity price risk or foreign exchange risk and hedging activities	:	N.A
(o)	Plant Locations	:	The Company's plants are located at 4712-14, GIDC, Road South10, Ankleshwar-393002,(Gujarat), India
(p)	Address for correspondence	:	i. Shareholders correspondence should be addressed to either at Registered Office of the Company or at the address of RTA M/s. Bigshare Services Private Limited given as above :
			ii. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

#### DISTRIBUTION OF HOLDINGS AS ON 31.03.2017

Shareholders			Nos. of Shares	
Number of Shares held	Holders	% To Total	Number	%
Up to 5000	5	4.0323	120	0.0024
5001 to 100000	88	70.9677	704000	14.2618
100001 to 9999999999	31	25.0000	4232160	85.7358
<b>Total</b>	<b>124</b>	<b>100.00</b>	<b>4936280</b>	<b>100.00</b>

11. The Company has adopted and been complying with the discretionary requirements as per Regulation 27(1) and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. 12. Familiarisation programme for independent Directors: The Chairman and secretary of the Company used to familiarize the independent Directors of the Company, their roles, rights, responsibilities, nature of industry, compliance procedures & checkpoints etc., from time to time.

**Declaration / Certification:**

**a. Code of Conduct:**

The Board has laid down a Code of Conduct applicable to all the Directors and senior management of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.

**b. Managing Director & CFO Certification:**

As per requirements of Corporate Governance Code, Mr. Sanjay Marathe, Managing Director and Mr. Premchand Tiwari, Chief Financial Officer have jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2017.

---

**Declaration by Managing Director on Code of Conduct**

I, Sanjay Marathe, Managing Director of Chemcrux Enterprises Limited, do hereby declare that a formal code of Conduct has been laid down by the Board of Directors of Chemcrux Enterprises Limited, which has been applicable to all the Directors and senior management of the Company. The code of Conduct has been affirmed to by all the Directors and senior management of the Company.

**Place: Vadodara  
Date: 15.07.2017**

**Sd/-  
SANJAY MARATHE  
MANAGING DIRECTOR  
DIN: 01316388**

### **3. INDEPENDENT AUDITOR'S REPORT**

#### **To the Members**

#### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of CHEMCRUX ENTERPRISES LIMITED ("the Company") which comprise the Balance sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
  - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;

- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2017, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure – B attached herewith.
- g) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in Note 23 of Notes forming part of Financial Statements.
  - (ii) There are no long term contracts for which provision is required.
  - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in Note No. 43 to the Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the Books of Accounts maintained by the Company.

**FOR, NARESH & Co.  
CHARTERED ACCOUNTANTS  
(F.R.N. 106928W)**

**Place : Vadodara  
Date : 30/05/2017**

**Sd/-  
CA ANIL SHAH  
PARTNER  
(M. R. N. 35309)**



**ANNEXURE –A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March 2017 of Chemcrux Enterprises Limited)

- (i) (a) The Company has maintained proper records of Fixed Assets purchases. However, as informed to us the Company is in the process of updating its old records and Fixed Assets Register showing full particulars including quantitative details and the situation of Fixed Assets.
- (b) The Company has a regular program of physical verification of its Fixed Assets by which the Fixed Assets are verified in phased manner over a period of time. In accordance with its program, certain Fixed Assets were verified during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, the program of verification is reasonable having regard to the size of the Company and the nature its Assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In our opinion and to the best of our knowledge the physical verification of inventories has been conducted at reasonable intervals by the management of the Company. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan, secured or unsecured, to Companies, Firms or Other Parties covered in the register maintained u/s. 189 of the Companies Act, 2013 during the year under report. Consequently, no comments are necessary on Para (iii) (a) (b) & (c) of CARO 2016.
- (iv) The Company has not granted any loans or advances or has not given any guarantee or has not acquired securities of any other body corporate exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more and hence the question of compliance of Section 185 and 186 of Companies Act, 2013 doesn't arise.
- (v) The Company has not accepted any deposits within the meaning of Section 2(31) of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and hence the compliance to the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed there under are not applicable. No order has been passed by Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) In terms of the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government U/s. 148 (1) of the Companies Act, 2013, the maintenance of cost records is not applicable to the company for the year under audit.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the Company were outstanding, as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, or Value Added Tax which have not been deposited on account of any dispute except the following :

Central Sales Tax Demand ` 32,91,032 for FY 2006-07.

(Matter is pending in appeal before the Appellate Tribunal of Sales Tax.)

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.

- (ix) During the year the Company made its initial public offer in March, 2017. The Company was listed on the BSE SME Platform on 28<sup>th</sup> March, 2017 and total IPO proceeds of Rs. 240.48 lacs were received by the Company. As per information and explanation given to us, since the IPO proceeds were received at the fag-end of the financial year, the utilization of the same was not completed by the end of the year and the funds were transferred to the common account of the Company pending utilization for the purposes for which they were raised. The Term Loans raised during the year has been applied for the purpose for which it was raised.
- (x) During the course of our audit, we have not noticed any fraud done by the Company or any fraud on the Company by its officers or employees.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Date : 30/05/2017**  
**Place: Vadodara**

**FOR, NARESH & Co.**  
**CHARTERED ACCOUNTANTS**  
**(F.R.N. 106928W)**

**Sd/-**  
**CA ANIL SHAH**  
**PARTNER**  
**(M. R. N. 35309)**

## **Annexure – B to the Independent Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of CHEMCRUX ENTERPRISES LIMITED (“the Company”), as on 31<sup>st</sup> March, 2017 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 Respective Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

**FOR, NARESH & Co.  
CHARTERED ACCOUNTANTS  
(F.R.N. 106928W)**

**Place : Vadodara  
Date : 30/05/2017**

**Sd/-  
CA ANIL SHAH  
PARTNER  
(M. R. N. 35309)**

4. Balance Sheet as at 31st March ' 2017

Particulars	Notes	31/03/2017 (₹)	31/03/2016 (₹)
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) SHARE HOLDERS FUND</b>			
(a) Share capital			
(b) Reserves and Surplus	3	4,93,62,800	1,80,01,400
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	4	7,53,56,900	6,76,87,482
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings			
(b) Deferred Tax Liabilities (Net)	5	94,00,641	75,51,079
(c) Other Long Term Liabilities	6	1,25,95,661	70,33,992
(d) Long-Term Provisions	7	-	-
<b>(4) CURRENT LIABILITIES</b>	8	1,63,985	1,82,556
(a) Short-Term Borrowings			
(b) Trade Payables	9	1,68,05,844	1,92,73,466
(c) Other Current Liabilities	10	1,38,16,367	84,81,980
(d) Short-Term Provisions	11	2,03,49,929	1,60,84,436
<b>TOTAL</b>	12	80,00,000	71,41,653
		<b>20,58,52,127</b>	<b>15,14,38,045</b>
<b>(II) ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible assets			
(ii) Intangible assets	13	8,28,49,986	7,54,13,927
(iii) Capital work-in-progress			-
(iv) Intangible Asset under Development		21,14,437	-
(b) Non-Current Investments			-
(c) Deferred Tax Assets (Net)	14	4,67,030	4,67,030
(d) Long-Term Loans and Advances	6		-
(e) Other Non-Current Assets	15	89,81,632	87,82,893
	16	39,46,952	-
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments			
(b) Inventories	17	-	-
(c) Trade Recievables	18	2,65,03,928	1,65,64,711
(d) Cash and Cash Equivalentents	19	4,26,49,255	3,58,79,922
(e) Short-Term Loans and Advances	20	2,27,66,382	37,98,589
(f) Other Current Assets	21	1,54,27,195	92,34,779
<b>TOTAL</b>	22	1,45,330	12,96,194
		<b>20,58,52,127</b>	<b>15,14,38,045</b>
Notes forming part of the Financial Statements	1 to 44		

The Notes referred to above form an integral part of the Financial Statement.

As per our Report of Even Date

**For Naresh & Co.,**  
**Chartered Accountants**  
**FRN : 106928W**

**Sd/-**  
**CA Anil Shah**  
**Partner**  
**Mem No. 35309**  
**Place : Vadodara**  
**Date : 30.05.2017**

**For & on behalf of the Board**  
**For Chemcrux Enterprises Limited**  
**Sd/-** **Sd/-**

**Girish Shah** **Sanjay Marathe**  
**Chairman** **and** **Managing Director**  
**Whole-Time**  
**Director**

**Sd/-**  
**Premchand Tiwari**  
**CFO**  
**Place : Vadodara**  
**Date : 30.05.2017**

**Sd/-**  
**Alpesh Makwana**  
**Company Secretary**

## 5. Statement of Profit and Loss for the year Ended 31st March , 2017

Particulars	Notes	31/03/2017 (₹)	31/03/2016 (₹)
I Revenue From Operations	25	27,49,76,125	20,11,59,443
II Other Income	26	34,71,561	11,99,419
<b>III Total Revenue ( I + II )</b>		<b>27,84,47,685</b>	<b>20,23,58,861</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	27	11,71,50,075	7,17,37,995
Changes in Inventories of Finished Goods			
Work-in-Progress and Stock-in-Trade	28	(1,05,10,073)	94,31,235
Employee Benefits Expenses	29	2,79,01,347	2,52,46,485
Financial Costs	30	35,44,600	26,07,436
Depreciation and Amortization Expenses	13	55,43,644	50,00,270
Other Expenses	31	10,59,00,077	6,34,43,797
<b>Total Expenses</b>		<b>24,95,29,669</b>	<b>17,74,67,217</b>
<b>V Profit Before Exceptional / Extra Ordinary Items &amp; Tax ( III - IV )</b>		<b>2,89,18,016</b>	<b>2,48,91,644</b>
VI Exceptional items ( Prior Period Expense)		29,762	2,89,799
<b>VII Profit before Extraordinary Items &amp; Tax ( V - VI )</b>		<b>2,88,88,254</b>	<b>2,46,01,845</b>
VIII Extraordinary Items			
Less: Prior year's Income Tax Adjustment		3,43,767	-
<b>IX Profit Before Tax ( VII - VIII )</b>		<b>2,85,44,487</b>	<b>2,46,01,845</b>
X Tax expense :			
(1) Current tax		80,00,000	66,00,000
(2) Deferred tax	6	55,61,669	6,18,142
<b>XI Profit/(Loss) from Continuing Operations ( IX-X )</b>		<b>1,49,82,818</b>	<b>1,73,83,703</b>
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
<b>XIV Profit/(loss) from Discontinuing Operations (after tax) (XII - XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit / (Loss) for the Period ( XI+XIV )</b>		<b>1,49,82,818</b>	<b>1,73,83,703</b>
XVI Earning per Equity Share:			
Basic		₹ 5.15	9.66
Notes forming part of the Financial Statements	1 to 44		

The Notes referred to above form an integral part of the Financial Statement.

As per our Report of Even Date

**For Naresh & Co.,**  
Chartered Accountants  
FRN : 106928W

Sd/-  
CA Anil Shah  
Partner  
Mem No. 35309  
Place : Vadodara  
Date : 30.05.2017

**For & on behalf of the Board**  
**For Chemcrux Enterprises Limited**  
Sd/- Sd/-

Girish Shah and Sanjay Marathe  
Chairman and Managing Director  
Whole-Time Director

Sd/-  
Premchand Tiwari  
CFO  
Place : Vadodara  
Date : 30.05.2017

Sd/-  
Alpesh Makwana  
Company Secretary

## 6. Cash Flow Statement for the year ended 31st March, 2017

Sr.	Particulars	For the Year ended 31.03.2017 Amount (₹)	For the Year ended 31.3.2016 Amount (₹)
<b>A.</b>	<b>Cash flow from Operating Activities :</b>		
	<i>Net Profit before Tax &amp; Extra Ordinary Items</i>	2,89,18,016	2,48,91,644
	Adjustment for :		
	Depreciation & Write-offs	55,43,644	50,00,270
	Gratuity Non Cash Adjustment for AS 15	9,87,619	7,91,590
	Loss / (Profit) on Sale of Fixed Assets	(5,67,363)	1,85,177
	Interest & Financial Charges	35,44,600	26,07,436
	<i>Operating Profit before Working Capital Changes</i>	3,84,26,516	3,34,76,117
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	(67,69,354)	(1,30,79,895)
	(Increase)/Decrease in Inventories	(99,39,217)	76,18,735
	(Increase)/Decrease in Loans & Advances	(27,80,125)	(18,44,936)
	(Increase)/Decrease in Other Current Assets	11,50,864	(9,26,153)
	(Increase)/Decrease in Other Non-Current Assets	(39,46,952)	-
	Increase/(Decrease) in Trade Payables	53,34,387	(94,93,069)
	Increase/(Decrease) in Other Current Liabilities	42,65,493	25,99,122
	Increase/(Decrease) in Other Long term liabilities	-	(25,00,000)
	<i>Cash Generated from Operations</i>	2,57,41,612	1,58,49,921
	Gratuity Paid	10,06,190	26,47,586
	Direct Taxes Paid	1,06,76,156	49,34,545
	<i>Cash Flow before Extra Ordinary Items</i>	1,40,59,266	82,67,790
	<b>Net Cash Flow from Operating Activities</b>	<b>1,40,59,266</b>	<b>82,67,790</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of Fixed Assets	(1,54,13,552)	(1,00,91,931)
	Net Proceeds from Sale of Fixed Assets	8,86,774	3,50,177
	<b>Net Cash used in Investment Activities</b>	<b>(1,45,26,778)</b>	<b>(97,41,754)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Increase/(Decrease) in Short Term Borrowings	(24,67,622)	53,57,738
	Increase/(Decrease) in Long Term Borrowings	18,49,562	(30,46,408)
	Increase of Equity Shares with Securities Premium	2,40,48,000	-
	Interest Paid	(35,44,600)	(26,07,436)
	Dividend Paid	(4,50,035)	(4,50,035)
	<b>Net Cash used in Financing Activities</b>	<b>1,94,35,305</b>	<b>(7,46,141)</b>
<b>D.</b>	Net Increase/(Decrease) in Cash and Cash Equivalents	1,89,67,793	(22,20,105)
	Cash and Cash Equivalents (Opening)	37,98,589	60,18,694
	<b>Cash and Cash Equivalents (Closing)</b>	<b>2,27,66,382</b>	<b>37,98,589</b>

For & on behalf of the Board

**For Chemcrux Enterprises Limited**

For Naresh & Co.,  
Chartered Accountants  
FRN : 106928W

Sd/-  
Girish Shah  
Chairman and  
Whole-Time  
Director

Sd/-  
Sanjay Marathe  
Managing Director

Sd/-  
CA Anil Shah  
Partner  
Mem No. 35309  
Place : Vadodara  
Date : 30.05.2017

Sd/-  
Premchand Tiwari  
CFO  
Place : Vadodara  
Date : 30.05.2017

Sd/-  
Alpesh Makwana  
Company Secretary

## **7. NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ANNEXED THERETO:**

### **1. General Information of the Company :**

Chemcrux Enterprises Limited ("the company") was incorporated in April 1996 to undertake the business of manufacturing or processing of Bulk Drug Intermediates like Para Chloro Benzoic, Ortho Benzoic Acid, and Lasamide etc.

The Company started its business activities in the year 2000-01 by taking over the running business of M/s. Chemcrux, a partnership firm of the promoters, as a going concern.

The Company has grown progressively on year-to-year basis through addition of new products as well as continuous upgradation and expansion of its manufacturing facilities. The Company has a healthy turnover and profit track record and has a robust outlook for the future.

The Company made its Initial Public Offering in March, 2017 and met with overwhelming response wherein the public offering was oversubscribed by more than 55 times, a testament to the growth story and future outlook of the Company. The Company was listed on the Bombay Stock Exchange on 28<sup>th</sup> March, 2017.

### **2. Significant Accounting Policies :**

#### **I. Method of Accounting :**

The accounts of the Company are prepared under the Historical Cost Convention and using the accrual method of accounting unless otherwise stated hereinafter, in accordance with the provisions of Companies Act, 2013("the Act") to comply in all material aspects, with the mandatory accounting standards specified u/s. 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 in conformity with accounting principles generally accepted in India. Accounting Policies, not specifically referred to, are consistent and in consonance with generally accepted accounting principles.

#### **II. Use of Estimates:**

The Preparation and Presentation of Financial Statements as per the above bases required the management to make estimates and assumptions that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the balance sheet and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated.

#### **III. Fixed Assets & Depreciation :**

- a. Fixed Assets are stated at their cost of acquisition less accumulated depreciation. The cost of acquisition includes freight, installation cost, duties, taxes and other incidental expenses, identifiable with the asset, incurred during the installation / construction stage in order to bring the assets to their working condition for intended use, including borrowing costs capitalized, if any, but are net of tax credits (Excise and Vat) availed for the relevant element in the cost.
- b. Depreciation on assets is being provided on the Straight Line Method on the basis of useful lives specified in Part C of Schedule II to the Companies Act, 2013. Depreciation on additions during the year as well as in case of assets sold during the year has been provided pro-rata on the basis of number of days for which the asset was used during the year.

#### **IV. Inventory :**

- c. Raw Materials are valued 'at Cost' on FIFO basis. 'Cost' includes all duties, taxes and other expenses incurred to bring the inventories to their present location and condition.
- d. Finished products are valued at lower of cost or net realizable value and including the excise duty payable on this stock.
- e. Semi-Finished Goods have been valued at Raw Material cost increased by a proportion of overheads and semi-finished goods of job work valued at cost of own raw materials involved in the process increased by overheads in consonance with the stage of completion as certified by the management.



**V. Employee Benefits :**

- a. Employee Benefits comprise short term as well as long term defined benefit as well as defined contribution plans.
- b. Contributions to Provident Fund and Employee State Insurance are defined contributions. The Company's Contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no further obligations beyond the periodic contributions.
- c. Retirement Benefits in form of Gratuity are defined benefit obligations and are provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / losses are immediately taken to the profit and loss account and are not deferred.
- d. In terms of the Management Policy for availing of leave by the employees during the year itself, no provision for leave encashment is required as at the year end.

**VI. Sales/Turnover and Income Recognition :**

- a. Revenue is recognized on transfer of property in goods or on transfer of significant risks and rewards of ownership to the buyer, for a consideration, without the seller retaining any effective control over the goods.
- b. Sales are accounted on dispatch of goods (which generally coincides with the transfer of ownership) and are net of excise duty and sales tax.
- c. Export sales are accounted at their CIF value based on the actual realization in Indian Rupees according to the realization certificates of the Banks.
- d. Other items of income such as Interest, Claims etc are accounted on accrual basis (depending on certainty of realization) and disclosed under the head "Other Income".

**VII. Excise duty and Cenvat Credit :**

- a. Purchases and Sales are accounted exclusive of excise duty element. Sales are grossed up at the year-end for presentation purposes.
- b. Cenvat Credit available on the Purchases as well as Excise duty payable on Sales are adjusted against Cenvat / PLA Accounts under the head "Short-Term Loans and Advances" and reconciled with Excise Records. The Cenvat / PLA Accounts under the head "Short-Term Loans & Advances" reflect the unutilized credits standing to the account of the company for adjustment against duty payable on dispatch of goods.

**VIII. Foreign Currency Transactions :**

Transactions in foreign currency are recorded in Indian Rupees at the exchange rate prevailing on the date of the transactions. Exchange gains or losses on settlement, if any, are treated as income or expenditure respectively in the Statement of Profit and Loss. Liabilities in foreign currency as well as receivables in foreign currency as on the date of the Balance Sheet have been restated into Indian rupees at the rates of exchange prevailing as on the date of Balance Sheet.

**IX. Borrowing Costs :**

According to AS-16, borrowing costs that are directly attributable to the acquisition of qualifying assets are to be capitalized for the period until the asset is ready for its intended use. A qualifying asset being, an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are to be recognized as an expense in the period in which they are incurred.

**X. Investments :**

Investments are classified as current and long term investments. Current Investments are those that are not intended to be held for more than one year from the date of investment. All other investments are classified as long-term investments.

Long term investments are stated at cost. Cost is taken net of any rebates / subsidies received on account of the said Investment. Provision for diminution in the value of such investments is made to recognize a decline, if any, other than temporary, in their value. Current investments are valued at lower of cost or fair value.

**XI. Accounting for Taxes on Income :**

- a. Provision for taxation for the year under report includes provision for current tax as well as provision for deferred tax.

- b. Provision for Current tax is made, based on tax estimated to be payable as computed under the various provisions of the Income Tax Act, 1961.
- c. Deferred tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originate during the year and are capable of being reversed in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

**XII. Contingencies / Provisions :**

Provisions requiring a substantial degree of estimation in measurement are recognized, if in the opinion of the Management, there is a probability that a present obligation as a result of past events will result in an outflow for the Company in the future. Contingencies, the outcome of which is not certain, have been disclosed in these notes as Contingent Liabilities. Contingent Assets are neither recognized nor disclosed in the financial statements.

**XIII. Impairment of Assets :**

Assessment of Impairment of Assets (as covered under AS-28 Impairment of Assets) is done as at the Balance Sheet Date considering external and internal impairment indicators. If there is an indication that an asset may be impaired, its recoverable amount is estimated and the impairment loss duly provided for.

**XIV. Public Issue Expenditure :**

Expenditure incurred on the Public Issue of Shares of the Company is being amortised over a 3 year period starting from the date of allotment of shares to the applicants.

**XV. Prior Period and Extra Ordinary items and Changes in Accounting Policies, having a material bearing on the financial affairs of the Company are disclosed separately.**

### 3 SHARE CAPITAL :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) <b>AUTHORISED</b> 6000000 {p.y. 3000000 } Equity Shares of `10/- each	<b>60,00,00,000</b>	<b>3,00,00,000</b>
(b) <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL.</b> 4936280 { p.y. 1800140 } Equity Shares of ` 10/- each (of which 1800140 equity shares of ` 10/- each issued as fully paid up bonus shares in the ratio of 1 Bonus Share for each share held as approved by the Shareholder in AGM held on 30th September 2016 )	4,93,62,800	1,80,01,400

#### d) RECONCILIATION OF NUMBER OF SHARES

Particulars	31st March, 2017		31st March, 2016	
	No. of Shares	Amount `	No. of Shares	Amount `
Balance at the Beginning (Nos.)	18,00,140	1,80,01,400	18,00,140	1,80,01,400
Addition / (Reduction)	-	-	-	-
- Bonus Shares issue	18,00,140	1,80,01,400	-	-
- Public Issue of Shares	13,36,000	1,33,60,000	-	-
<b>Balance at the end (Nos.)</b>	<b>49,36,280</b>	<b>4,93,62,800</b>	<b>18,00,140</b>	<b>1,80,01,400</b>

- (d) The company has a single class of equity shares having par value of `10/- per equity share. All shares rank pari passu with reference to all rights relating thereto. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportions to their shareholding.

#### (e) DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

Name of Equity Shareholder	31st March, 2017		31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Promoter Group</b>				
Girish C Shah	18,00,080	36.466	9,00,040	49.998
Sanjay Y Marathe	18,00,080	36.466	9,00,040	49.998
<b>Other than Promoters</b>	-	-	-	-

- (f) The Board of Directors, in its meeting held on May 30,2017 have proposed a Final Dividend of 2.5% i.e Rs.0.25 per equity share for the Financial Year ended 31<sup>st</sup> March, 2017. The said proposal is subject to the approval of the shareholders at the Annual General Meeting and if approved would result in a Cash Outflow of ` 14,85,302 approximately including Corporate Dividend Tax.

### 4 RESERVES & SURPLUS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) <b>SECURITIES PREMIUM RESERVE</b>		
Balance as at the beginning of the year	-	-
Add : Securities Premium received during the year	1,06,88,000	-
<b>TOTAL ` (a)</b>	<b>1,06,88,000</b>	<b>-</b>

<b>(b) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance as at the beginning of the year	6,76,87,482	5,08,45,432
Add : Profit for the year	1,49,82,818	1,73,83,703
Less : Issue of Bonus Share during the period	1,80,01,400	-
Less : Appropriations		
Proposed Dividend	-	4,50,035
Corporate Dividend Tax on Proposed Dividend	-	91,618
<b>TOTAL ` (b)</b>	<b>6,46,68,900</b>	<b>6,76,87,482</b>
<b>TOTAL ` (a+b)</b>	<b>7,53,56,900</b>	<b>6,76,87,482</b>

#### 5 LONG TERM BORROWINGS :-

<b>Particulars</b>	<b>31/03/2017 ( ` )</b>	<b>31/03/2016 ( ` )</b>
<b>(a) SECURED :</b>		
<b>Term Loans :</b>		
From State Bank of India	72,70,547	59,71,386
From Kotak Mahindra Prime Ltd	12,67,046	7,13,548
	<b>85,37,593</b>	<b>66,84,934</b>
<b>(b) UNSECURED :</b>		
From Directors	8,63,048	8,66,145
	<b>8,63,048</b>	<b>8,66,145</b>
<b>TOTAL `</b>	<b>94,00,641</b>	<b>75,51,079</b>

#### **Balances of Term Loans from State Bank of India includes :**

Total Term Loan of ` 100 lacs which includes Corporate Loan of ` 45 Lacs and Term Loans of ` 55 Lacs is secured against assets acquired out of such finance and is repayable in 50 monthly installments of ` 2.02 lacs. Applicable Rate of Interest is I-Base 9.70%+3.10% i.e. 12.80%. The installments commenced from October 2013 and last installment is due in November 2017

New Term Loan of ` 51 lacs is secured against assets acquired out of such finance and is repayable in 51 monthly installments of ` 1.00 lacs . Applicable Rate of Interest is I-Base 10%+3.85% i.e. 13.88%. The installments were to commence from April 2015 and last installment is due in June 2019.

Term Loan of ` 95 lacs is secured against assets acquired out of such finance and is repayable in 58 monthly installments of ` 1.90 lacs . Applicable Rate of Interest is I-Base 9.30%+2.85% i.e. 12.15%. The installments were to commence from October 2016.

The above facilities are further secured by collateral security of Factory Land, Building at GIDC, Ankleshwar and hypothecation of existing Plant & Machinery and also personal guarantee of two Directors namely Girish Shah and Sanjay Marathe as per sanction letter of Bank.

#### **Balances of Term Loans from Kotak Mahindra Prime Ltd includes :**

Term loan obtained from Kotak Mahindra Prime Ltd for purchase of Innova Car and secured against hypothecation of the same. The Loan is repayable in 36 equated monthly installments starting from 01st August 2015 with last installment payable on 01st July 2018.

Term loan obtained from Kotak Mahindra Prime Ltd for purchase of Innova Crysta Car and secured against hypothecation of the same. The Loan is repayable in 36 equated monthly installments starting from 05th November 2016 with last installment payable on 05th Oct 2019.

#### **Unsecured Loans :**

The amount taken as unsecured loans from Directors are usually payable on demand but the company reserves its right to defer the payment of the same for a period exceeding 12 months. Interest on the same as well as on the Inter Corporate Deposit has been paid @ 12% p.a.

6 DEFERRED TAX LIABILITIES (Net) :-

Particulars	31/03/2017 ( ` )	31/03/2016 ( ` )
Deferred Tax Liabilities ( difference between accounting and tax depreciation )	1,32,75,458	70,33,992
Deferred Tax Assets	6,79,797	-
<b>Net Deferred Tax Liabilities as at the year end</b>	<b>1,25,95,661</b>	<b>70,33,992</b>

(Hitherto Deferred Tax Liabilities was being considered only on timing difference between accounting and tax depreciation for the reporting period. However, in the current year , Deferred Tax Liabilities has been reworked by considering the gross timing difference between accounting and tax depreciation based on respective written down values as at the end of reporting period. Thus has resulted in excess Deferred Tax Liabilities charged in Profit & Loss account for the year.

7 OTHER LONG TERM LIABILITIES:-

Particulars	31/03/2017 ( ` )	31/03/2016 ( ` )
	-	-
<b>TOTAL `</b>	<b>-</b>	<b>-</b>

8 LONG TERM PROVISIONS :-

Particulars	31/03/2017 ( ` )	31/03/2016 ( ` )
Provision for Employee Benefits		
Provision for Gratuity (Net)	1,63,985	1,82,556
Provision for Leave encashment	-	-
Others	-	-
<b>TOTAL `</b>	<b>1,63,985</b>	<b>1,82,556</b>

9 SHORT TERM BORROWINGS :-

Particulars	31/03/2017 ( ` )	31/03/2016 ( ` )
(a) SECURED :		
From SBI for Working Capital (repayable on demand)	1,68,05,844	1,92,73,466
	<b>1,68,05,844</b>	<b>1,92,73,466</b>
(b) UNSECURED : ( Payable Within One Year)		
From Others	-	-
	-	-
<b>TOTAL `</b>	<b>1,68,05,844</b>	<b>1,92,73,466</b>

[\*] The Bank Facilities from SBI Bank ( Cash Credit & EPC ) are secured by hypothecation of Company's entire stocks and receivables. The facilities are further secured by Collateral Security of Factory land and building at GIDC, Ankleshwar and also hypothecation of existing Plant and machinery and personal guarantee of two Directors of the Company.

**10 TRADE PAYABLES :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Sundry Creditors for Goods	1,23,59,930	84,81,980
(b) Sundry Creditors for Capital Goods	14,56,437	-
<b>TOTAL</b>	<b>1,38,16,367</b>	<b>84,81,980</b>

Sundry Creditors are as per books and have not been corroborated by circulation / confirmation of balances.

**Disclosures required under Micro, Small and Medium Enterprises Development Act, 2006**

Sundry Creditors for Raw Materials do not include any amount outstanding to Micro & Small Enterprises. The above information has been compiled in respect of parties to the extent they could be identified as Micro and Small Enterprises on the basis of information collected and available with the Company and same has been relied upon by the auditors regarding Other Sundry Creditors, the Company does not have information regarding their status as Micro & Small

The Company deals with various Micro and Small Enterprises on mutually accepted terms and conditions. Accordingly, no interest is payable if the terms are adhered to by the Company. Consequently, no interest has been paid or is due and no provision for interest payable to such units is required or has been made under Micro, Small and Medium Enterprises Development Act, 2006.

**11 OTHER CURRENT LIABILITIES :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Current Maturities of Long Term Debts		
- SBI Term Loans (Installment due within one year)	49,93,892	47,66,940
- Kotak Mahindra Prime Ltd -Car Loans (Installment due within one year)	11,43,361	4,80,093
(b) Others Payables :		
- Creditors for Expenses	76,49,516	40,58,141
- Statutory Liabilities	21,29,950	15,21,918
- Other Payables	44,33,210	52,57,344
<b>TOTAL</b>	<b>2,03,49,929</b>	<b>1,60,84,436</b>

**12 SHORT TERM PROVISIONS :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Provision for Employee Benefits	-	-
(b) Provision for Current Taxation	80,00,000	66,00,000
(c) Provision for Proposed Dividend	-	4,50,035
(d) Provision for Dividend Tax	-	91,618
<b>TOTAL</b>	<b>80,00,000</b>	<b>71,41,653</b>

13 FIXED ASSETS :-

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Balance as on 01/04/2016	Additions during the Year	Deduction / Disposal	Balance as on 31-03-2017	Balance as on 01/04/2016	Depreciation for the year	Adjustment during the Half year in carrying Cost	Deduction / Disposal	Balance as on 31-03-2017	As on 31-03-2017	As on 31/03/2016
<b>Tangible Assets</b>											
Land	46,00,614			46,00,614	-	-			-	46,00,614	46,00,614
GIDC Quarter	1,83,415			1,83,415	48,376	2,878			51,254	1,32,161	1,35,039
Factory Building	1,31,22,010	4,73,957		1,35,95,967	37,14,344	4,13,690			41,28,034	94,67,933	94,07,666
Office	6,96,935	3,05,336		10,02,271	4,46,272	31,622			4,77,894	5,24,377	2,50,663
Office Premises	6,67,062			6,67,062	6,08,812	3,679			6,12,491	54,571	58,250
Furniture &	4,31,092	96,896		5,27,988	2,50,173	29,399			2,79,572	2,48,416	1,80,919
Plant &	9,18,32,128	77,18,479		9,95,50,607	3,58,06,044	41,81,107			3,99,87,151	5,95,63,457	5,60,26,084
Computer	10,12,331	1,84,892		11,97,223	7,70,505	1,10,981			8,81,486	3,15,737	2,41,826
Motor Car	41,60,959	23,76,358	24,59,799	40,77,518	21,64,517	4,33,600		21,40,388	4,57,729	36,19,789	19,96,442
Pollution Control System	35,94,274	21,43,197		57,37,470	10,77,851	3,36,688			14,14,539	43,22,932	25,16,423
<b>Total</b>	<b>12,03,00,820</b>	<b>1,32,99,115</b>	<b>24,59,799</b>	<b>13,11,40,136</b>	<b>4,48,86,894</b>	<b>55,43,644</b>	<b>-</b>	<b>21,40,388</b>	<b>4,82,90,150</b>	<b>8,28,49,986</b>	<b>7,54,13,926</b>
<b>Previ</b>	<b>11,10,90,000</b>	<b>1,00,91,931</b>	<b>8,81,110</b>	<b>12,03,00,821</b>	<b>4,04,17,557</b>	<b>50,00,270</b>	<b>-</b>	<b>5,30,933</b>	<b>4,48,86,894</b>	<b>7,54,13,927</b>	<b>7,06,72,443</b>
<b>Work in Progress</b>											
Plant & Machinery	-	21,14,437	-	21,14,437	-	-	-	-	-	21,14,437	-
<b>Total</b>	<b>-</b>	<b>21,14,437</b>	<b>-</b>	<b>21,14,437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,14,437</b>	<b>-</b>
<b>Previ</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As per Companies Act 2013 , Schedule II specifies that the useful life specified in Part C of the Schedule is for whole of the asset. Where Cost of a Part of the Asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part should be determined separately. As per the Management of the Company and considering the nature of Fixed Assets lying in the Block of Assets of the Company, particularly the Plant and Machineries lying in the Block, there are no such major parts whose useful life is different from the useful life of the remaining asset and hence the Company has considered the useful life of the said parts equivalent to the useful life of the Asset only. However , the Company has undertaken the specific exercise of identifying the parts where the Cost is significant to the total cost and whose useful life might be different from the useful life of the remaining assets. If such parts are identified, the same shall be given effect to prospectively.

14 NON CURRENT INVESTMENTS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) <b>Investments in Equity Instruments</b> (At Cost)		
<b>Unquoted , Non Trade</b>		
36703 {P.Y. 36703} Equity Shares of ` 10 each of Bharuch Eco-Acqua Inf. Ltd.	3,67,030	3,67,030
25000 {P.Y. 25000} Equity Shares of ` 10 each of Ankl. Reas. & Analy Infrastructure Ltd.	1,00,000	1,00,000
<b>TOTAL `</b>	<b>4,67,030</b>	<b>4,67,030</b>

15 LONG TERM LOANS & ADVANCES :-  
(Unsecured, Considered Good)

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Capital Advances	32,86,667	30,79,623
(b) Security Deposits	56,04,965	57,03,270
(c) Loans and Advances to related Parties	-	-
(d) Other Loans and Advances (recoverable in cash or kind or for value to be received)	90,000	-
<b>TOTAL `</b>	<b>89,81,632</b>	<b>87,82,893</b>

16 OTHER NON-CURRENT ASSETS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Long-term Trade Receivables	-	-
(b) Others IPO Expenses ( pending to be written off )	39,46,952	-
<b>TOTAL `</b>	<b>39,46,952</b>	<b>-</b>

17 CURRENT INVESTMENTS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Investments in Governments Securities	-	-
(b) Investments in Parntership Firms	-	-
(c) Other Investments ( Shares and Mutual Funds)	-	-
<b>TOTAL `</b>	<b>-</b>	<b>-</b>



18 INVENTORIES :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Raw Materials	41,65,835	50,54,559
Work-in-Progress	1,42,11,252	57,35,534
Finished Goods	78,26,841	54,74,618
Stores and Spares	3,00,000	3,00,000
<b>TOTAL</b>	<b>2,65,03,928</b>	<b>1,65,64,711</b>

Finished Goods (Principal Items)	31/03/2017 (₹)	31/03/2016 (₹)
Oxidation Products	10,31,200	17,11,605
Chlor-Amide Products	47,66,000	27,05,200
Nitration Products	8,73,960	2,20,000
Others	98,000	98,000
Add : Excise on Cl. Stock of Finished Goods	10,57,681	7,39,813
<b>TOTAL</b>	<b>78,26,841</b>	<b>54,74,618</b>

Work-in-Progress (Principal Items)	31/03/2017 (₹)	31/03/2016 (₹)
Oxidation Products	41,90,700	50,92,950
Chlor-Amide Products	99,52,207	1,97,084
Nitration Products	68,345	-
Others	-	4,45,500
<b>TOTAL</b>	<b>1,42,11,252</b>	<b>57,35,534</b>

19 TRADE RECEIVABLES :-  
(Unsecured, Considered Good)

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Outstanding for a period exceeding Six Months	8,03,042	-
(b) Others	4,18,46,213	3,58,79,922
<b>TOTAL</b>	<b>4,26,49,255</b>	<b>3,58,79,922</b>

Balances are as per books and have not been corroborated by circulation / confirmation of balances.

20 CASH AND CASH EQUIVALENTS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Balances with Banks	2,26,97,722	1,15,899
Margin Money Deposits (Maturing within 12 Months)	-	36,00,709
Cash on Hand	68,660	81,982
<b>TOTAL</b>	<b>2,27,66,382</b>	<b>37,98,589</b>

**21 SHORT-TERM LOANS AND ADVANCES :-**  
(Unsecured, Considered Good)

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Advance Income Tax and Refunds Receivable	68,31,647	34,61,097
Indirect Taxes Recoverable Balance with Revenue Authorities	48,03,841	35,45,058
Advances to Staff	23,87,000	7,97,869
Security Deposit	2,40,480	-
Other Short Term Loans and Advances (recoverable in cash or kind or for value to be received)	11,64,227	14,30,755
<b>TOTAL `</b>	<b>1,54,27,195</b>	<b>92,34,779</b>

**22 OTHER CURRENT ASSETS :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Advance to Suppliers	1,45,330	12,96,194
<b>TOTAL `</b>	<b>1,45,330</b>	<b>12,96,194</b>

**23 CONTINGENT LIABILITIES AND COMMITMENTS :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debt	-	-
Guarantees	-	-
Other Moneys for which Company is contingently liable - For F.Y. 2006-07 -VAT / CST Demand [*]	32,91,032	32,91,032
<b>TOTAL `</b>	<b>32,91,032</b>	<b>32,91,032</b>
<b>Commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	-	-
Uncalled liability on shares or investments partly paid	-	-
Other Commitments	-	-
<b>TOTAL `</b>	<b>-</b>	<b>-</b>

[\*] CST Demand on Assessment of 2006-2007 after order of Commissioner of Sales Tax is ` 32,91,032 against C Form ( Includes CST Payable ` 30,97,406, Interest `12,63,382, Penalty ` 4,67,920 and deduction of Credit & Tax paid ` 15,37,677 ). Matter pending before Appellate Tribunal of Sales Tax.

**24** In the opinion of the Board, all assets which are considered good ( other than Fixed Assets and Non- Current Investments ) are expected to realised at least the amount at which they are stated, if realised in the ordinary course of business. Further in the opinion of the Board, provision for all known liabilities has been adequately made in the accounts and as per management experience and estimates, no additional provisions are required.

25 REVENUE FROM OPERATIONS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
(a) Sale of Products		
- Domestic Sales	14,96,95,062	11,13,29,140
- Export Sales (including Deemed Exports)	3,76,10,140	1,94,73,855
<b>Total Sale of Products</b>	<b>18,73,05,202</b>	<b>13,08,02,995</b>
(b) Other Operating Revenues		
- Revenue from Services	10,38,64,745	8,22,65,028
<b>Total Gross Revenues</b>	<b>29,11,69,947</b>	<b>21,30,68,023</b>
Less : Excise Duty	1,61,93,823	1,19,08,580
<b>TOTAL</b>	<b>27,49,76,125</b>	<b>20,11,59,443</b>

Sales (Finished Goods) Principal Items	31/03/2017 (₹)	31/03/2016 (₹)
Oxidation Products	4,08,45,925	2,17,31,622
Chlor-Amide Products	5,64,57,190	6,33,43,800
Nitration Products	1,36,47,990	16,87,445
Others	16,40,25,020	11,43,96,576
<b>TOTAL</b>	<b>27,49,76,125</b>	<b>20,11,59,443</b>

26 OTHER INCOME :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Duty Drawback	5,67,943	5,09,114
Interest Income	8,56,665	6,58,125
Exchange Rate Difference (Net)	4,83,544	-
Bad Debts Recovered	9,65,291	-
Profit on Sale of Fixed Assets	5,67,363	-
Rate Differences and Discounts (Net)	16,487	-
Other Income	14,267	32,180
<b>TOTAL</b>	<b>34,71,561</b>	<b>11,99,419</b>

27 COST OF MATERIALS CONSUMED :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Opening Stock of Raw Materials	1,60,32,725	25,12,816
Add : Purchases ( incl. Import Duties)	10,16,56,045	6,32,51,031
	11,76,88,770	6,57,63,847
Less : Closing Stock of Raw Materials	1,51,44,001	50,54,559
<b>Raw Materials Consumed</b>	<b>10,25,44,769</b>	<b>6,07,09,288</b>
Stores and Consumables	1,32,31,437	96,46,497
Packing Materials	13,73,869	13,82,209
<b>TOTAL</b>	<b>11,71,50,075</b>	<b>7,17,37,995</b>

Material Consumption	31st March , 2017		31st March, 2016	
	Amount`	% of Consumed	Amount`	% of Consumed
Imported	3,18,69,800	31.08	1,54,41,069	25.43
Indigenous	7,06,74,969	68.92	4,52,68,219	74.57
<b>Total</b>	<b>10,25,44,769</b>	<b>100.00</b>	<b>6,07,09,288</b>	<b>100.00</b>

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
<b>Opening Stocks</b>		
Finished Goods	54,74,618	1,14,58,639
Work-in-Progress	57,35,534	99,11,991
Stores and Spares	3,00,000	3,00,000
	<b>1,15,10,152</b>	<b>2,16,70,630</b>
<b>Closing Stocks</b>		
Finished Goods	78,26,841	54,74,618
Work-in-Progress	1,42,11,252	57,35,534
Stores and Spares	3,00,000	3,00,000
	<b>2,23,38,093</b>	<b>1,15,10,152</b>
Differential Excise Duty on Opening & Closing Stock of Fin. Goods	3,17,868	(7,29,243)
<b>TOTAL</b>	<b>(1,05,10,073)</b>	<b>94,31,235</b>

29 EMPLOYEE BENEFIT EXPENSES :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Salaries and Wages	1,66,37,691	1,47,81,895
Providend Fund ,ESI , Bonus and Grauity	43,55,665	38,38,113
Directors' Remuneration	60,00,000	60,00,000
Staff Welfare	9,07,991	6,26,477
<b>TOTAL</b>	<b>2,79,01,347</b>	<b>2,52,46,485</b>

30 FINANCE COSTS :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Interest on Loans from Banks	28,37,448	19,38,860
Bank Charges and Other Borrowing Costs	4,45,175	4,73,149
Others Interest	2,61,977	1,95,427
<b>TOTAL</b>	<b>35,44,600</b>	<b>26,07,436</b>

31 OTHER EXPENSES :-

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
<b>(a) Manufacturing \ Direct Expenses</b>		
Freight,Octroi & Transportation	1,10,50,856	79,98,635
Repairs & Maintenance	75,48,041	70,82,698
Fuel Charges	3,10,82,226	2,51,71,567
Effluent Treatment Charges	3,07,00,755	73,85,894
Labour Charges	80,17,998	52,62,302
Other Factory Expenses	55,71,134	28,64,410
<b>Total (a)</b>	<b>9,39,71,009</b>	<b>5,57,65,506</b>
<b>(b) Administrative &amp; Other Expenses</b>		
Audit Fees	1,50,000	1,31,675
Conveyance & Petrol Exp	3,60,041	3,94,894
Donation	23,500	33,500
Directors' Sitting Fees	8,000	-
Exchange Rate Difference (Net)	-	2,48,276
Fees, Books & Periodicals	3,91,016	1,51,777
Insurance Premium	7,95,178	6,03,545
Legal, Professional, License & Filing Fees	13,53,348	7,33,366
Office & General Administration Expenses	9,43,644	7,34,700
Repairs & Maintenance (Shed & Building)	9,89,308	11,99,969
Security Service Charges	13,55,659	11,67,437
Travelling Expenses	2,62,870	1,07,864
Rates & Taxes	5,51,210	4,18,030
Rate Difference & Discounts (Net)	-	1,85,027
IPO Expenses Written Off	29,048	-
Loss on Sale of Assets	-	1,85,177
<b>Total (b)</b>	<b>72,12,822</b>	<b>62,95,238</b>

<b>(c) Selling &amp; Distribution Expenses</b>		
Custom Clearing Charges for Exports	23,17,850	9,63,169
Sales Commission	15,92,221	8,000
Advertisement Exp	1,38,556	86,451
Service Tax On Transport	6,67,619	3,25,433
<b>Total (c)</b>	<b>47,16,246</b>	<b>13,83,053</b>
<b>TOTAL (a+b+c)</b>	<b>10,59,00,077</b>	<b>6,34,43,797</b>

**32 C.I. F. VALUE OF IMPORTS :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Raw Materials	2,87,77,245	1,59,13,822
<b>TOTAL</b>	<b>2,87,77,245</b>	<b>1,59,13,822</b>

**33 EXPENDITURE IN FOREIGN CURRENCY :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**34 EARNINGS IN FOREIGN CURRENCY :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Export of Goods on FOB basis	3,53,57,340	1,85,32,305

**35 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
Sundry Creditors for Goods	-	34,64,169
Sundry Debtors	14,29,692	
<b>TOTAL</b>	<b>14,29,692</b>	<b>34,64,169</b>

**36 AUDITORS' REMUNERATION :-**

Particulars	31/03/2017 (₹)	31/03/2016 (₹)
As Auditors	1,00,000	1,00,000
For Taxation Matters	30,000	20,000
For Other services	20,000	10,000
<b>TOTAL</b>	<b>1,50,000</b>	<b>1,30,000</b>

**37 CLASSIFICATION OF EXPENDITURE :-**

The treatment of a particular expenditure relating to Plant & Machinery as capital ( capitalization to fixed assets ) or Revenue ( Repairs and Maintenance ) has been done based on Management’s perception of the reason, nature and necessity of the expenditure as well as the longevity of the benefit derived from the same being a technical matter. The treatment accorded by the Management has been accepted by the Auditors.

**38 POST EMPLOYMENT BENEFITS :-**

Provident Fund and Employee State Insurance paid during the year being defined contributions have been charged to the of Profit and Loss Account.

In terms of the Management Policy for availment of leave by the employees during the year itself, no provision for leave encashment is required as at the year end.

The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity @ 15 days salary (last drawn) for every completed year of service with a overall ceiling of ` 1000000. The Company has taken a Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India ( a qualifying policy ) and makes annual contributions to the same to create a fund to meet this defined benefit gratuity obligation.

<b>Changes in Present Value of Defined Benefit Obligation</b>	<b>31st, March 2017 ( ` )</b>	<b>31st, March 2016 ( ` )</b>
Present Value of Obligations as at the beginning of the Year	65,99,253	54,26,586
Interest Cost	5,27,940	4,34,127
Current Cost	3,61,807	3,22,984
Benefits Paid	(22,404)	(49,919)
Actuarial (gains) / losses on obligation	5,66,418	4,65,475
Present Value of Obligations as at the end of the Year	80,33,014	65,99,253
<b>Change in Fair Value of Plan Assets</b>	<b>31st, March 2017 ( ` )</b>	<b>31st, March 2016 ( ` )</b>
Fair Value of Plan Assets as at the beginning of the Year	64,16,697	33,88,034
Expected Return on Plan Assets	5,43,630	4,30,995
Contributions	9,31,196	26,47,586
Benefits Paid	(22,404)	(49,919)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	78,69,119	64,16,696
<b>Defined Benefit Obligation as recognized in Balance Sheet</b>	<b>31st, March 2017 ( ` )</b>	<b>31st, March 2016 ( ` )</b>
Present Value of Obligations as at the Year end	80,33,014	65,99,253
Fair Value of Plan Assets as at the Year end	78,69,119	64,16,697
Net Asset / (Liability) recognized in Balance Sheet	(1,63,895)	(1,82,556)
<b>Net Gratuity Benefit Expenditure Recognised in P&amp;L Account</b>	<b>31st, March 2017 ( ` )</b>	<b>31st, March 2016 ( ` )</b>
Current Service Cost	3,61,807	3,22,984
Interest Cost	5,27,940	4,34,127
Expected Return on Plan Assets	(5,43,630)	(4,30,995)
Net Actuarial (Gain) / Loss Recognised in the Year	5,66,418	4,65,475
Net Expense Recognised in Statement of Profit and Loss	9,12,535	7,91,591
<b>Principal Assumptions Used</b>	<b>31st, March 2017 ( ` )</b>	<b>31st, March 2016 ( ` )</b>
Discount Rate	8%	8%
Expected Return on Plan Assets	8%	8%
Salary Escalation Rate	7%	7%
<b>Major Categories of Plan Assets</b>		
<b>Insurer Managed Funds</b>	<b>100%</b>	<b>100%</b>

**39 BORROWING COSTS :**

No Borrowing Costs were eligible for capitalisation during the year in terms of AS-16.

**40 RELATED PARTY TRANSACTIONS :-**

The Company has identified all the related parties having transactions for the half year in line with Accounting Standard 18.

Details of the same are as under :

**a. List of Related Parties**

Nature of Relation	Name of Related Parties
Key Managerial Person	Mr. Girish Shah – Chairman & WTD Mr. Sanjay Marathe - MD Mrs.Sidhdhi Shah - Director Mrs. Neela Marathe - Director Mr. Premchand Tiwari - CFO Mr. Alpesh Makwana – CS
Relative of Key Managerial Person	Sanjay Marathe- HUF Urvi Shah

**b. Transaction and Balances with Related Parties**

Name of Related Parties	Transaction during year		Balances as at	
Key Managerial Person				
Director Remuneration	60,00,000	60,00,000	3,89,600	11,35,800
Unsecured Loans received/(paid)	(66,478)	(28,01,663)	8,63,048	8,66,056
Interest on Unsecured Loan	63,380	68,141	-	-
Remuneration	1,20,000	-	20,000	-
Relative of Key Managerial Person				
Unsecured Loans (repaid)	-	(11,40,000)	-	-
Interest on Unsecured Loan	-	1,28,400	-	-
	-	-	-	-

**41 EARNINGS PER SHARE :-**

In line with Accounting Standard 20 the Earnings Per Share details are given below

Particulars		31/03/2017 (₹)	31/03/2016 (₹)
Profit After Taxation	₹	1,49,82,818	1,73,83,703
Weighted Average Number of Equity Shares	Nos.	29,11,656	18,00,140
Nominal Value of Shares	₹	4,93,62,800	1,80,01,400
Earnings Per Share	₹	5.15	9.66

Particulars	No. of Equity Shares
- Opening Equity Shares ( 1800140 / 365 * 365 )	18,00,140
- Bonus Issue ( 1800140 / 365 * 166 )	8,18,694
- Public Issue ( 13360000 / 365 * 8 )	2,92,822
<b>Total Weighted Average Number of Equity</b>	<b>29,11,656</b>

**42 IMPAIRMENT OF ASSETS :-**

In terms of absence of any indications, external or internal, as to any probable impairment of assets, no provision has been made for the same during the half year under report.



**43 DISCLOSURE ON SPECIFIED BANK NOTES :-**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016. The details of denomination wise SBNs and other notes held and transacted as required by the notification are given below:

Particulars	SBNs* (₹)	Other Denomination Notes (₹)	Total (₹)
<b>Closing Cash in Hand as on November 8 , 2016</b>	1,83,500	44,901	2,28,401
(+) Permitted Receipts	-	-	-
(+) Amount withdrawal from banks	-	6,30,000	6,30,000
(-) Permitted Payments	96,500	4,33,767	5,30,267
(-) Amount deposited in banks	87,000	-	87,000
<b>Closing Cash in Hand as on December 30 , 2016</b>	-	<b>2,41,134</b>	<b>2,41,134</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

- 44 The figures in respect of previous year have been re-grouped / recast wherever necessary to confirm to the current year's classification.

**For & on behalf of the Board  
For Chemcrux Enterprises Limited**

**For Naresh & Co.,  
Chartered Accountants  
FRN : 106928W**

**Sd/-  
Girish Shah  
Chairman                      and  
Whole-Time  
Director**

**Sd/-  
Sanjay Marathe  
Managing Director**

**Sd/-  
CA Anil Shah  
Partner  
Mem No. 35309  
Place : Vadodara  
Date : 30.05.2017**

**Sd/-  
Premchand Tiwari  
CFO  
Place : Vadodara  
Date : 30.05.2017**

**Sd/-  
Alpesh Makwana  
Company Secretary**

**8. Proxy form**

**Form MGT-11  
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CHEMCRUX ENTERPRISES LIMITED**

CIN: L01110GJ1996PLC029329

Regd. Office: T-7, National Plaza, R. C. Dutt Road, Alkapuri,  
Vadodara- 390 007

Ph: +91-0265-2344803/2358903

Email:- girishshah@chemcrux.com

Fax: +91-0265-2332910

Website: www.chemcrux.com

Name of the Member(s): Registered address: E-mail ID: Folio No/DP ID-Client ID:
--

I/We being the Member(s), holding \_\_\_\_\_ of the above named company, hereby appoint:

1	Name Address Email id	Signature
2	Name Address Email id	Signature
3	Name Address Email id	Signature

as my / our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21<sup>st</sup> Annual General Meeting to be held on Friday, 18<sup>th</sup> August, 2017, at 02:00 P.M. at Baroda Rotary Club Service Centre,62, Haribhakti Extension, Opp. ABS Towers, Old Padra Road,Vadodara, District Vadodara and adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Financial Statements for the year ended 31.03.2017.
2. Approval of Final Dividend for the year ended 31.03.2017.
3. Appointment of M/s. Talati & Talati, Chartered Accountants, Vadodara as Auditors and fixing their remuneration.
4. Re-appointment of Mr. Girish C. Shah who retires by rotation.

In this \_\_\_\_ day of \_\_\_\_\_, 2017.

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Form No. MGT-12  
Polling Paper**

*[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company		CHEMCRUX ENTERPRISES LIMITED		
Registered Office		CIN: L1110GJ1996PLC029329 T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007 Ph: +91-0265-2344803/2358903 Email:- girishshah@chemcrux.com Fax: +91-0265-2332910 Website: www.chemcrux.com		
Sr.No	Particulars	Details		
1	Name of the First Named Shareholder ( In Block Letter)			
2	Postal Address			
3	Registered Folio No./8 Client ID No. (* Applicable to investors holding shares in dematerialized form)			
4	Class of Share	Equity Shares		
I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner.				
No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent to the resolution
1	To receive, consider and adopt the Audited Financial Statement including Consolidated Financial Statement compromising the Balance Sheet as at March 31, 2017 and the Statement of Profit of Loss and Cash Flow for the year ended on that date together with Report of Directors and Auditors thereon (Ordinary Resolution)			
2	To declare dividend on the Equity Shares of the company (Ordinary Resolution)			
3	To appoint M/s. Talati & Talati, Chartered Accountants as Auditors of the Company and authorize the Board of Directors to fix their remuneration (Ordinary Resolution)			
4	To appoint a Director in place of Mr. Girish C. Shah (DIN: 00469291), who retires by rotation and being eligible, offers himself for re-appointment.(Ordinary Resolution).			
<p>Date: .../...../2017 Place: Vadodara</p> <p align="right">(Signature of the Shareholder)</p>				

**9. ATTENDANCE SLIP**

**CHEMCRUX ENTERPRISES LIMITED**

CIN: L1110GJ1996PLC029329

Reg. Office: T-7, National Plaza,R. C. Dutt Road, Alkapuri,  
Vadodara- 390 007

Ph: +91-0265-2344803/2358903

Email:- girishshah@chemcrux.com

Fax: +91-0265-2332910

Website: www.chemcrux.com

**ATTENDANCE SLIP**

Name of the Member(s): Registered address: E-mail ID: Folio No/DP ID-Client ID:  Number of Shares held:
--

I/We certify that I am a member / proxy of the Company.

I hereby record my presence at the 21<sup>st</sup> Annual general Meeting of the Company to be held at Baroda Rotary Club Service Centre ,62, Haribhakti Extension, Opp. ABS Towers, Old Padra Road,Vadodara at 02:00 P.M. on Friday, 18<sup>th</sup> day of August, 2017.

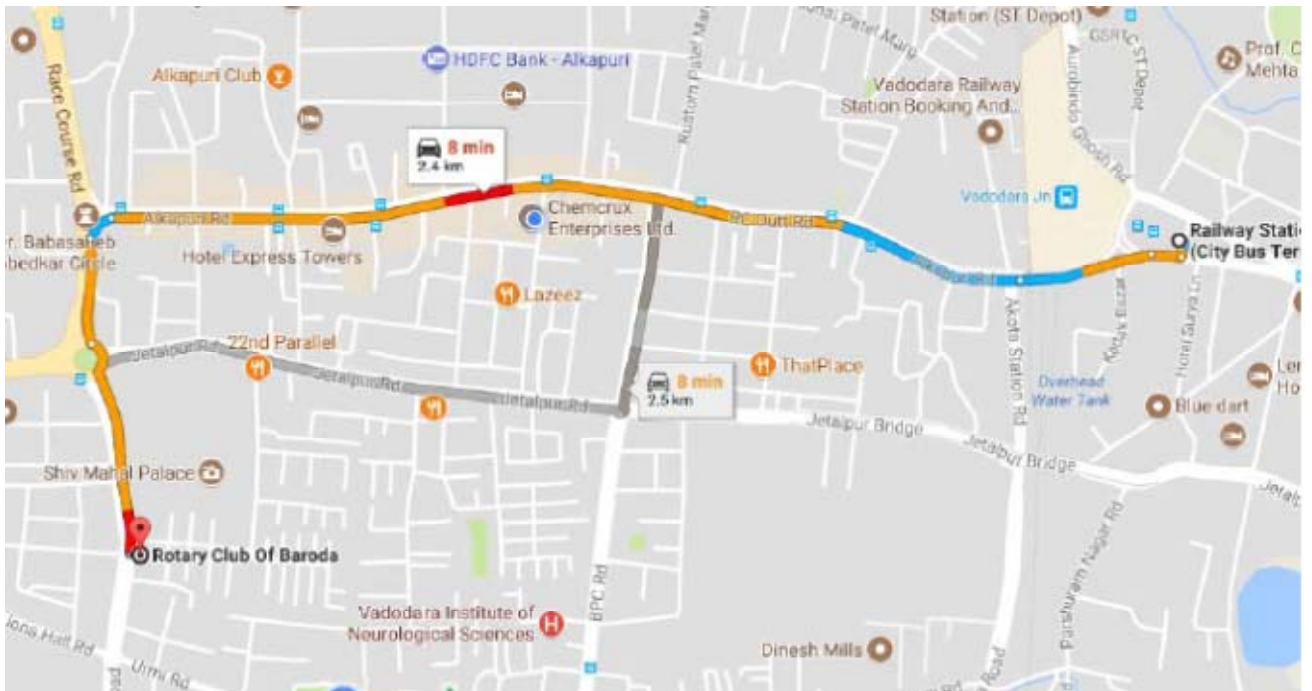
\_\_\_\_\_  
Name of the Member / Proxy  
(In Block Letters)

\_\_\_\_\_  
Signature of the Member / Proxy

Note: Please fill this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual report 2016-17 for the meeting.

# CHEMCRUX ENTERPRISES LIMITED

## ROAD MAP FOR ANNUAL GENERAL MEETING





**CHEMCRUX**  
ENTERPRISES LTD.

Reg. Off.:  
T-7, National Plaza,  
R.C.Dutt Road,  
Alkapuri, Vadodara- 390007

