

Regd. Office :-

330, TRIVIA Complex, Natubhai Circle,
Racecourse, Vadodara – 390007, Gujarat, INDIA
Phone : +91 265 2988903 / 2984803
Website : www.chemcrux.com
Email : girishshah@chemcrux.com



CHEMCRUX
ENTERPRISES LTD.



ISO 9001, 14001 & 50001 Certified Company
CIN: L01110GJ1996PLC029329

Date: **31st August, 2022**

To,
Corporate Relations Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Dear Sir / Madam,

Sub: Submission of Annual Report for the F.Y. 2021-22

Ref: BSE Scrip ID: CHEMCRUX BSE Scrip Code: 540395

Pursuant to Regulation 34(1)(a) and Regulation 30 read with Event 12 of Part A para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of Chemcrux Enterprises Limited for the financial year 2021-22, which, inter-alia contains the Notice of the 26th Annual General Meeting of the Company to be held on Friday, 23rd September, 2022 at 2.00 P.M. (IST) through Video Conference / Other Audio Visual Means.

Kindly note that the Annual Report is being sent today by e-mail to the Members and others entitled to receive it and the same is also available on the Company's website, www.chemcrux.com.

Kindly take the same in your records.

Thanking you,

Yours faithfully,

For CHEMCRUX ENTERPRISES LIMITED

Dipika

Dipika Rajpal
Company Secretary & Compliance Officer



Encl: Annual Report for the FY 2021-22.

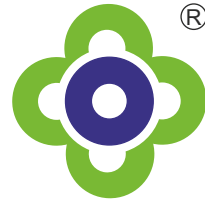
Factory

4712-14, GIDC, Road South - 10, Ankleshwar - 393002 (Gujarat) India.
Ph.: +91 2646 221427, 239737 | Email : sanjay@chemcrux.com



CHEMCRUX ENTERPRISES LTD.

ISO 9001, 14001 & 50001 Certified Company



Quality - Consistency - Reliability

**Manufacturers of Intermediates for
API, Dyes & Pigments since 39 years**



ANNUAL REPORT 2021-22

PROMOTERS & DIRECTORS :

Girish Shah, Chairman & Whole Time Director
BE (Chem), D.I.I.S.C (IM)

Sanjay Marathe, Managing Director
B.E (Chem), M. Tech (IIT Powai)

REGD OFFICE :

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Racecourse, Vadodara 390007 GUJARAT
Tel No. : 0265 2984803 / 2988903
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Website : www.chemcrux.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Girishkumar C. Shah - Chairman & Whole Time Director
 Mr. Sanjay Y. Marathe - Managing Director
 Mrs. Sidhdhi G. Shah - Director
 (Till 22/12/2021)
 Mrs. Neela S. Marathe - Director
 Mr. Shailesh Patel - Independent Director
 Mr. Bhanubhai Patel - Independent Director
 Mr. Mukund Bakshi - Additional Director- NED & Independent (w.e.f. 22/12/2021)

KEY MANAGERIAL PERSONNEL

Mr. Sushil Tripathi - CFO (Till 31/07/2021)
 Mr. Krutarth Parikh - CFO (w.e.f. 01/08/2021)
 Mrs. Dipika Rajpal - Company Secretary

REGISTERED OFFICE:

330, TRIVIA Complex
 Natubhai Circle, Racecourse,
 Vadodara- 390 007 (GUJARAT, INDIA)
 Ph: +91-0265-2984803/2988903

FACTORY:

4712-14, GIDC Road South 10,
 Ankleshwar - 393 002
 Gujarat, INDIA

BOARD COMMITTEES (Re- constituted w.e.f. 22/12/2021)

Audit Committee

Mr. Mukund Bakshi (Chairperson)
 Mr. Shailesh Patel
 Mrs. Neela Marathe

Nomination & Remuneration Committee

Mr. Bhanubhai Patel (Chairperson)
 Mr. Shailesh Patel
 Mr. Mukund Bakshi

Stakeholders Relationship Committee

Mrs. Neela Marathe (Chairperson)
 Mr. Sanjay Marathe
 Mr. Bhanubhai Patel

CSR Committee

Mr. Sanjay Marathe (Chairperson)
 Mrs. Neela Marathe
 Mr. Mukund Bakshi

AUDITORS

Statutory Auditors:

R.J. Shah & Associates, Chartered Accountants
 D- 408, Avishkar Complex,
 Old Padra Road
 Vadodara-390 015

Internal Auditors:

Naresh & Co., Chartered Accountants
 City Enclave, Opp. Polo Ground
 Vadodara - 390 001

Secretarial Auditors:

Kashyap Shah & Co.
 B 203, Manubhai Tower
 Sayajigunj, Vadodara -390 020

Registrar & Share Transfer Agent:

Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park, Next to
 Ahura Centre, Mahakali Caves Road, Andheri
 (East), Mumbai, Maharashtra-400 093
 E-mail id: info@bigshareonline.com

BANKERS:

Kotak Mahindra Bank Limited

WEBSITE: www.chemcrux.com

CIN : L01110GJ1996PLC029329

Investors Relations Mail ID:

companysec@chemcrux.com

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CHEMCRUX ENTERPRISES LIMITED

CIN: L01110GJ1996PLC029329

Regd. Office: 330, TRIVIA Complex, Natubhai Circle, Racecourse, Vadodara - 390007

Factory Office: 4712-14, GIDC, Road South 10, Ankleshwar-393 002, (Gujarat) INDIA

Ph: +91-0265-2984803/2988903 **Email:** girishshah@chemcrux.com **Website:** www.chemcrux.com

NOTICE

Notice is hereby given that the Twenty-Sixth (26th) Annual General Meeting of the members of **CHEMCRUX ENTERPRISES LIMITED** ("the Company") will be held on Friday, September 23, 2022, at 2.00 p.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OVAM") for which the Registered Office of the Company situated at 330, TRIVIA Complex, Natubhai Circle, Racecourse, Vadodara- 390007 shall be the deemed venue to transact the following business:

ORDINARY BUSINESS:

1. **A.** To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2022, together with the reports of the Board of Directors and Auditors thereon:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2022, together with the reports of the Board of Directors and the Auditors thereon be and are hereby received, considered, approved and adopted."

- B.** To receive, consider, approved and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2022, together with the reports of the Auditors thereon:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2022, together with the reports of the Auditors thereon be and are hereby received, considered, approved and adopted."

2. To declare final dividend for the financial year ended 31st March 2022, at the rate of 20% (Rs. 2/-) per Equity Share:

"RESOLVED THAT a final dividend of Rs. 2/- (Two only) per Equity Share @ 20% on 1,48,08,840 Equity Shares of the Company as recommended by the Board of Directors be and is hereby declared to the Equity Shareholders of the Company whose name appear in the Register of Members on September 16, 2022, out of the profits of the Company for the financial year ended on 31st March 2022."

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

"RESOLVED THAT Mr. Girishkumar Shah (DIN: 00469291), Whole Time Director of the Company, who retires by rotation at this Annual General Meeting in accordance with section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. **Regularisation of Additional Director, Mr. Mukund Bakshi (DIN: 00066993) by appointing him as an Independent Director**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, (as amended from time to time) and as recommended by Nomination and Remuneration Committee and Board of Directors, Mr. Mukund Prahlad Bakshi (DIN: 00066993), who has been appointed as an Additional Director (Non-Executive & Independent Director) of the Company by the Board of Directors with effect from 22nd December 2021 in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the



Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and who has submitted a declaration that he meets the criteria for independence as provided in the Companies Act and Listing Regulations, be and is hereby appointed as an Independent (Non-Executive) Director of the Company for a consecutive period of 5 years w.e.f from 22nd December 2021 to 21st December 2026 (both days inclusive), whose office shall not be liable to retire by rotation.

“RESOLVED FURTHER THAT Mr. Girishkumar Shah, Whole Time Director and/or Mrs. Dipika Rajpal, Company Secretary, be and are hereby authorised on behalf of the Company to sign and submit the required documents, letters and writings and to do all such acts, deeds and things as may be required in this regard to implement and give effect to this resolution.”

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

**Place: Vadodara
Date: 12th August 2022**

**Sd/-
Dipika Rajpal
Company Secretary**

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the special business under Item No. 4 of the accompanying Notice, is annexed hereto.
2. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”), vide its circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 5, 2022 respectively (“MCA Circulars”) & Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 have permitted convening the Annual General Meeting (“AGM”/ “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 26th AGM of the Company is being held through VC / OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. Further, Attendance Slip and Route Map are also not annexed to this Notice.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will be available electronically for inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to companysec@chemcrux.com.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM provided by NSDL will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021, and May 13, 2022, notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/Depositories/ Depository Participants/



Bigshare Services Private Limited (RTA). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website that is www.chemcrux.com, website of the BSE Limited that is www.bseindia.com and AGM Notice will also available on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.

8. **The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 17, 2022 to Friday, September 23, 2022 (both days inclusive) for annual book closing and record date/ cut off date shall be as on Friday, September 16, 2022 for determining the entitlement of shareholders to the final dividend. The cut off date shall be as on Friday, September 16, 2022 to determine the shareholders entitled to avail the facility of remote e-voting.**
9. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by the Institute of Company Secretaries of India, details of directors retiring by rotation & seeking appointment/ re-appointment at the ensuing annual general meeting is given in [Annexure A](#) to this notice.
10. Subject to the provisions of section 126 of the Companies Act, 2013, final dividend as recommended by the Board of Directors for the year ended 31st March 2022, if approved and declared by the members at the ensuing AGM, will be paid to those Members within 30 days from the date of declaration, to those members whose names appear in the Register of Members as at the close of business on 16th September 2022 and in respect of shares held in dematerialized form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 16th September 2022.
11. *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 Participants immediately and not to the Company. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.*
12. *Members holding shares in electronic form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for payment of dividend. Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company.*
13. Pursuant to Finance Act, 2020, dividend income will be taxable to the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with depositories. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. The shareholders also are requested to refer to the Finance Act, 2020 and amendments thereof.

Further, the Company is sending a separate email communication to the shareholders, informing the relevant procedure to be adopted by them/documents to be submitted for availing the applicable tax rate. The same will also be available on the website of the Company www.chemcrux.com. The shareholders are requested to submit the requisite documents to the mail ids mentioned in the communication on or before 16th September 2022 to enable the Company to determine the appropriate TDS/withholding tax rate, as may be applicable.
14. M/s. Bigshare Services Private Limited, the Registrar and Transfer Agent (RTA) having their administrative office situated at S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai- 400093 in the State of Maharashtra, is handling registry work in respect of shares held both in physical form and in electronic/demat form. **Bigshare Services has put in place a module to enable the shareholders to update the Email Id, Mobile No., etc. by visiting the website www.bigshareonline.com. (For Investors section).**
15. **Green Initiative - Members who have not registered their e-mail addresses so far are requested to register their e-mail address with their DPs or the RTA for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically. Members may also note that Annual Report for the FY 2021-22 will also be available on the website of the Company at www.chemcrux.com.**

16. VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by **National Securities Depository Limited (NSDL)**.

The instructions for members for remote e-voting and joining general meeting are as under: -

The remote e-voting period begins on Tuesday, 20th September 2022 (09:00 A.M. IST) and ends on Thursday, 22nd September 2022 (05:00 P.M. IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 16th September 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16th September 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and Email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <ol style="list-style-type: none"> 1. Type in web browser/ Click the following e-Services Link: https://eservices.nsdl.com/ (either on a Personal Computer or on a mobile). 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. Enter your User ID and Password. 4. On successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>Users not registered for IDeAS e-Services, have option to register at https://eservices.nsdl.com.</p> <ol style="list-style-type: none"> 1. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 3. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 4. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 5. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 6. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 7. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under Shareholders’ section.
3. A new section will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical

- a) For Members who hold shares in demat account with NSDL.
- b) For Members who hold shares in demat account with CDSL.

Your User ID is:

8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

16 Digit Beneficiary ID
For example, if your Beneficiary ID is



12***** then your user ID is
12*****

- c) For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, home page of e-Voting will open.

Details on Step 2 is given below:

How to cast vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company <CHEMCRUX ENTERPRISES LIMITED> for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 5. Upon confirmation, the message “Vote cast successfully” will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- ❖ You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - ❖ The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date that is 16th September 2022.
 - ❖ Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 16th September 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com or contact NSDL at the following toll-free no.: 1800-222-990.

- ❖ The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility during the AGM.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to companysec@chemcrux.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to companysec@chemcrux.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

GENERAL INSTRUCTIONS:

- a. **The remote e-voting period commences on Tuesday, 20th September 2022 (09:00 a.m. IST) and ends on Thursday, 22nd September 2022 (5:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September 2022 may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter but will again be opened during the AGM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
- b. Mr. Kashyap Shah, Practicing Company Secretary (Membership No. FCS 7662), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- c. The Scrutinizer shall, after the conclusion of voting at the General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make within the prescribed time period of the conclusion of the AGM a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any to the Chairman or a person authorised by him in writing, who shall countersign the same. The voting results shall be declared by the Chairman or a person authorised by him within two working days of conclusion of this AGM. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.chemcrux.com and on the website of NSDL immediately after the declaration of the result by the Chairman or any person authorised by him and communicated to the Stock Exchange- BSE Limited.
- d. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kashyap.cs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
- e. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- f. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote, Assistant Manager, National Securities Depository Limited at the designated email address: evoting@nsdl.co.in.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



5. Shareholders who would like to express their views/ask questions during the meeting need to register themselves as a speaker by sending a request from their registered e-mail address mentioning their name, demat account number/folio number, email id, mobile number at companysec@chemcrux.com
6. Shareholders who would like to express their views/have questions need to send their questions in ten (10) days advance mentioning their name demat account number/folio number, email id, mobile number at companysec@chemcrux.com. The queries will be replied suitably by the company.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

**Place: Vadodara
Date: 12th August 2022**

**Sd/-
Dipika Rajpal
Company Secretary**

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

Special Business: Item No. 4

Mr. Mukund Bakshi was appointed as an Additional Independent Director with effect from 22nd December 2021 in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company. Based on the recommendation of the Nomination and Remuneration Committee & the Board, considering his advisory involvement, knowledge, expertise and vast experience in the field of taxation and finance, the Board considers his regularization as an Independent Director for the period of five years beginning from 22nd December 2021 in the best interests of the Company & his office shall not be liable to retire by rotation. He is not holding any equity share of the Company and is not related to any Director of the Company. His brief profile is given in [Annexure A](#). None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Mukund Bakshi himself, in any way concerned or interested, in the said resolution. Accordingly, the board recommends the said Special Resolution for your approval.

Annexure - A

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting

(PURSUANT TO REGULATION 36(3) of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON THE GENERAL MEETINGS)

Name of Director	Girishkumar C Shah (DIN: 00469291)	Mukund Bakshi (DIN: 00066993)
Date of Birth	29/06/1956	04/03/1961
Designation	Whole Time Director (Executive Chairman)	Independent Director
Date of Appointment	15/04/1996	22/12/2021
Terms and conditions of appointment/re-appointment	Re-appointment on rotation, liable to retire by rotation	Regularisation as an Independent Director for a term of 5 consecutive years beginning from 22 nd December 2021, not liable to retire by rotation
Qualifications	Bachelor of Engineering in Chemical Post-graduate in Industrial Management	Chartered Accountant (CA) Master's in commerce (M. Com)
Expertise in Specific Functional Area	Marketing and Finance	Direct Taxes
Directors in other companies	Kalichem Private Limited -Nominee Director of Chemcrux Enterprises Limited	Jindal Hotels Limited- Independent Director
Membership of committees in other public limited companies	NIL	<ul style="list-style-type: none"> • Nomination and Remuneration Committee (Member cum Chairman) • Stake Holder Relationship Committee (Member) • Audit Committee (Member)
Inter relationship	Promoter	None
No. of Equity Shares held in the company	5400240	NIL
Number of Board Meetings attended during the financial year 2021-22	7 of 7	2 of 2
Details of remuneration last drawn (FY 21-22)	Rs. 84,00,000/- as Remuneration Rs. 21,00,000/- as Performance Bonus	Sitting fees of Rs. 15,000/- for attending meetings of Board and committees (except CSR Committee)

BOARD'S REPORT

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2022.

1. A: FINANCIALS: STANDALONE

PARTICULARS	[Rupees in Lacs except EPS]	
	2021-22	2020-21
Revenue from Operations	9527.06	5333.10
Other Income	99.83	79.64
Total Revenue	9626.89	5412.74
Less: Expenses before Interest and Depreciation	7471.89	4077.86
Less: (a) Interest	7.70	14.82
(b) Depreciation	146.47	120.13
Profit before Tax & Extra Ordinary Items	2000.83	1199.93
Less: Prior period expenses	0.00	0.00
Less: Prior year's Income Tax Adjustment	(0.41)	(4.59)
Profit Before Tax	2001.24	1204.52
Less: Tax Expenses		
Current Tax	491.50	300.00
Deferred Tax	17.85	11.16
Profit after Tax	1491.89	893.36
Earnings per Share	10.07	6.03

B: FINANCIALS: CONSOLIDATED

PARTICULARS	[Rupees in Lacs except EPS]
	2021-22*
Revenue from Operations	9527.06
Other Income	99.83
Total Revenue	9626.89
Less: Expenses before Interest and Depreciation	7471.89
Less: (a) Interest	7.70
(b) Depreciation	146.47
Profit before Tax & Extra Ordinary Items	2000.83
Less: Prior period expenses	0.00
Less: Prior year's Income Tax Adjustment	(0.41)
Profit Before Tax	2001.24
Less: Tax Expenses	
Current Tax	491.50
Deferred Tax	17.85
Profit after Tax	1491.89
Earnings per Share	10.07

* - The Company has invested in Joint Venture in current year, hence previous year figures are not available for consolidation.

2. KEY FINANCIAL RATIOS :

Sr. No	Name of Ratio	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.10	4.39	-52.19%
	The Company has taken a Short Term Loan of Rs. 8 Crores at the end of the year which is repayable in one year. This has resulted in the decrease in Ratio					
2	Debt Equity Ratio (in times)	Short Term Borrowings + Long Term borrowings	Total Equity	0.15	0.02	-544.20%
	The Company has taken a Short Term Loan of Rs. 8 Crores at the end of the year. This has resulted in the increase in the Ratio					
3	Debt Service Coverage Ratio (In times)	Earning for Debt Service (PAT + Depreciation + Interest +Other Non Cash Expenses)	Total Debt Service (Interest + Finance Lease Payments + Principal Repayment)	21.42	15.45	38.69%
	There has been increase in Profits for the year resulting in improvement in the Ratio					
4	Return on Equity Ratio (%)	Profit after Tax	Avg Shareholder's Equity	31.20%	24.39%	27.93%
	There has been increase in Profits for the year resulting in improvement in the Ratio					
5	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	8.66	7.18	20.65%
6	Trade Receivables Turnover Ratio (In times)	Net Sales	Average Trade receivables	8.59	8.38	2.41%
7	Trade Payables Turnover Ratio (In times)	Net Purchase	Average Trade Payables	9.64	7.07	36.23%
	The Average Trade Payables reduced as compared to Purchases showing efficient payment cycle leading to improvement in Ratio					
8	Net Capital Turnover Ratio (In times)	Net Sales	Average Working Capital	3.82	2.68	42.41%
	The Net Working Capital reduced due to Short Term Borrowing at Year end resulting in increase in the Ratio					
9	Net Profit Ratio (%)	Profit for the Year	Total Revenue	15.66%	16.75%	-6.52%
10	Return on Capital Employed (%)	PBT + Finance Cost (EBIT)	Capital Employed	31.35%	28.44%	10.25%
11	Return on Investment	Net Profit	Total Assets	18.17%	18.35%	-0.97%
12	Operating Profit Margin	Operating Profit	Revenue from Sales	22.54%	24.75%	-8.93%
13	Return on Networth	Net Profit	Net worth	15.66%	38.05%	-58.84%
	The return on networth has reduced due to addition in equity share capital.					
14	Interest Service Coverage Ratio	EBITDA	Interest	260.89%	81.96%	218.32%
	EBITDA was considered in our working instead of EBIT to ascertain cash profits available to pay interest. The Interest Service coverage ratio has increased due as Company has taken short term loan at the end of year.					

3. DIVIDEND:

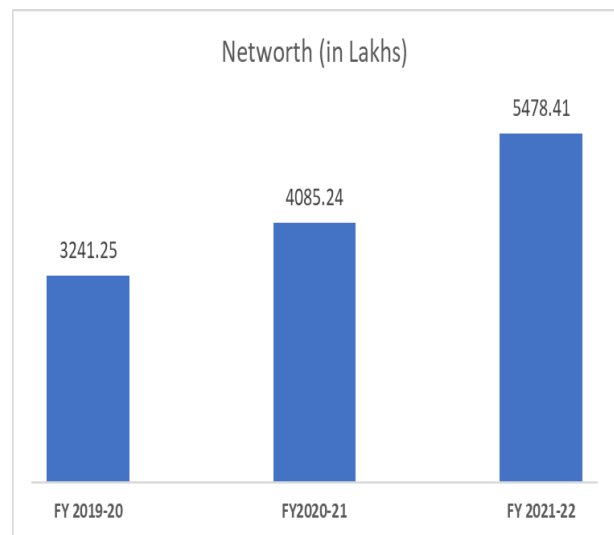
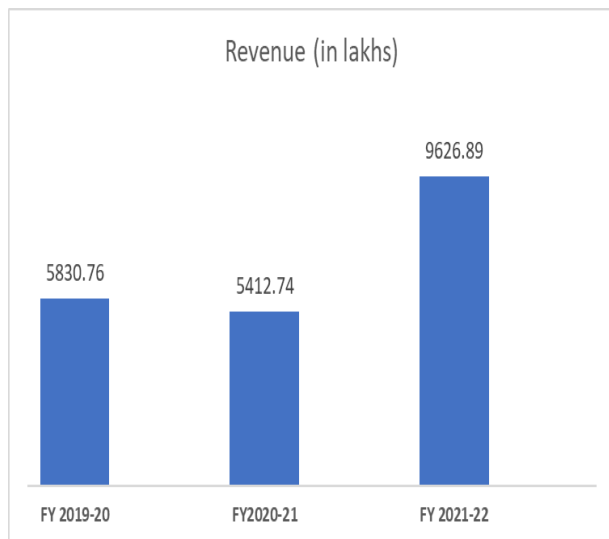
Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business needs of your company. Your Board of Directors are pleased to recommend a final dividend of Rs. 2/- per equity share (20%) on 1,48,08,840 equity shares of Rs.10/- each subject to approval of shareholders at the forthcoming Annual General Meeting. The Dividend when approved, would result in a total outflow of Rs. 296.18 Lakhs. According to Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates.

4. OPERATIONAL HIGHLIGHTS:

Your Company's financial highlights during preceding three years period can be summarized as follows:

Rs. In Lacs (except EPS)	FY 2019-20	FY 2020-21	FY 2021-22	% increase (1 year)	% increase (3 years)	CAGR% (3 years)
Revenue	5830.76	5412.74	9626.88	77.86	65.11	18.19
EBDITA	1560.41	1334.89	2154.99	61.44	38.10	11.36
Profit before Tax	1418.10	1204.52	2001.24	66.14	41.12	12.17
Net Profit	1064.26	893.36	1491.89	67.00	40.18	11.92
Networth	3241.25	4085.24	5478.41	34.10	69.02	19.12
EPS	21.56	6.03	10.07	67.07	40.18	11.88

KEY FINANCIALS CHART – 3 YEARS PERIOD



5. SHARE CAPITAL:

At present, the Company has only one class of share – Equity shares of face value of Rs. 10 each. The authorized share capital of the company is Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10 each. The paid-up share capital of the company is Rs. 14,80,88,400/- divided into 1,48,08,840 equity shares of Rs. 10 each. The Company had raised fund through Public Issue of shares in F/Y 2016-17 and the Equity shares of your Company were listed on SME segment of BSE Limited since March, 2017. Further, equity shares of the Company have Migrated from SME Platform of BSE Limited to Main Board of BSE Limited w.e.f. 05th May 2022.

6. TRANSFER TO RESERVE:

The Company does not propose to transfer any amount to the general reserve out of the amount available in reserves and surplus.

7. CREDIT FACILITIES:

The Company has been optimally utilizing its fund based and non-fund based working capital requirements as tied up with Kotak Mahindra Bank Limited. Effective financial measures have been continued to reduce cost of interest and bank charges.

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

There was no amount outstanding to be transferred as unclaimed dividend to investor education and

protection fund during the FY 2021-22.

9. MATERIAL EVENTS OCCURRING AFTER THE END OF FINANCIAL YEAR AND UPTO THE DATE OF REPORT:

The Company has received final approval for migration to Main Board of BSE Limited and consequently the shares are listed & traded on Main Board of BSE Limited w.e.f. 05th May 2022.

10. ORDER OF AUTHORITIES/ COURT/ REGULATORS:

No order of any government, state, local or statutory authorities were received during the FY 2021-22 which could have affected the workings of the company except a case filed by the Gujarat Pollution Control Board (GPCB) against the Company & Directors, for charges under the provisions of the Environment (Protection) Act, 1986. The Company has complied with the order of the Court and as on the date there are no litigation or legal proceedings pending against the Company by GPCB.

11. 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 as under:

(A) Conservation of energy:

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

Steps taken by the company for utilizing alternate sources of energy including waste generated:

Your Company is certified with ISO 50001: 2018 Certification from BSI (British Standards Institution) and ANAB (American National Standards Institution Accreditation Board). Your Company is compliant with the Energy Management Systems and aims to improve energy efficiency and consumption thereby resulting in costs reduction and increase in productivity. During the FY 2021-22, Energy consumption was 2539.633 mwh and cost incurred was Rs. 180.43 lakhs.

(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 entered into any technology-based ventures during the year under review.

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.

2. Expenditure incurred on Research and Development:

The Company has R&D facility located at GIDC, Ankleshwar Gujarat.

RESEARCH AND DEVELOPMENT EXPENDITURE	Amt (In Lacs)
Capital expenditure	405.98
Revenue expenditure	15.42

(C) Foreign exchange earnings and Outgo:

PARTICULARS	Amt (In Lacs)
Foreign Exchange earned in terms of actual inflows during the year	1203.81
Foreign Exchange outgo during the year in terms of actual outflows	1144.77

(D) Environment:

Your Company is ISO 14001:2015 certified which specifies the requirements for the formulation and maintenance of an environmental management systems (EMS). During the year your Company has complied with local and regulatory environment laws and regulations. We strive actively to reduce the overall impact on the environment by targeting annual reductions in our carbon intensity and the management of waste, water, vehicle emissions and energy consumption. The Board of Directors have the Environment Policy outlining our commitment to conduct operations in environment friendly and responsible way. The policy can be accessed at the website www.chemcrux.com

12. 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. On account of outbreak of Covid global pandemic and uncertainty caused by it, Company adopted Risk Management Policy to minimize the impact on its operations, customers, suppliers and employees.

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 are applicable to the Company. In line with same, a Corporate Social Responsibility Committee has been constituted by the Board of directors. The Committee was re-constituted w.e.f 22nd December 2021 and on 31st March 2022, the Committee composition is as follows: Mr. Sanjay Marathe- Chairman of the CSR Committee, Mrs. Neela Marathe & Mr. Mukund Bakshi- members of the CSR Committee. During the year, the CSR Committee has formulated and recommended to the Board, the revised Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company in areas or subjects specified in schedule VII of the Companies Act, 2013 in line with The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. Accordingly, during the FY 2021-22 as approved by the CSR Committee, the amount for CSR expenditure amounting to Rs. 26,36,560/- was spent in areas specified under schedule VII of the Companies Act, 2013. Please refer [Annexure V](#) for further details and click on the link www.chemcrux.com/investor-info.php under investors info/Corporate Policy link to access the CSR Policy of Company.

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

There Company has granted loan to M/s Kalichem Private Limited (Joint Venture Company) by complying with section 185 & 186 of the Companies Act, 2013- a company where directors are interested, amounting to Rs. 1,25,00,000/- during the FY 2021-22. The same was in line with the resolution approved by members at the 25th AGM held on 24th August 2021. Investments in short term UTI Mutual Fund schemes were made during the year which was within the limits approved by Board of Directors and the limits prescribed under section 186 of the Companies Act, 2013.

15. 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 as per the omnibus approval of Audit Committee. Further, as there are no material related party transactions during the year and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required.

The Board of Directors of the Company have, 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 has been uploaded on the website of the Company at www.chemcrux.com/investor-info.php under investors info/Corporate Policy link.

16. DIRECTORS / KEY MANAGERIAL PERSONNEL:

During the year, following changes were there in the directors and KMPs:

- Mr. Shailesh Patel & Mr. Bhanubhai Patel were re-appointed as Independent Directors of the Company for 2nd term of five consecutive years at the AGM held for the FY 2020-21 on 24th August 2021.
- Mrs. Sidhdhi Girishkumar Shah has resigned as Director w.e.f. 22nd December 2021 and Mr. Mukund Bakshi was appointed as an Additional (Non-Executive Independent) Director w.e.f. 22nd December 2021. His appointment is subject to regularization by members at the ensuing AGM.
- Mr. Sushilkumar Tripathi resigned from the post of Chief Financial Officer (CFO) of the Company from close of business hours of 31st July 2021 and Mr. Krutarth Parikh was appointed in his place to take over the charge as the Chief Financial Officer of the Company w.e.f. 01st August 2021.
- In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Girishkumar C Shah, Whole Time Director & Executive Chairman shall retire by rotation in the ensuing Annual General Meeting and being eligible for re-appointment has offered his candidature for directorship.

➤ 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 has carried an annual performance evaluation of its own performance, committees and the directors individually.

➤ 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 policy is available at the website of company at www.chemcrux.com/investor-info.php.

➤ MEETINGS:

During the year under review, seven Board Meetings and five Audit Committee Meetings were held. The Company has also constituted Nomination and Remuneration Committee, Stakeholders relationship committee and Corporate Social Responsibility Committee as per the provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015. The Committee meetings are held as per the requirement of the applicable laws. The details are given in the Corporate Governance Report which is annexed as [Annexure I](#). The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

➤ 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 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the relevant rules. The letter of appointment to Independent Directors as provided under Companies Act, 2013 has been issued and disclosed on website of the Company: www.chemcrux.com. The Independent Directors confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that he is independent of the management.

17. AUDIT COMMITTEE AND VIGIL MECHANISM & WHISTLE BLOWER:

The Audit Committee as on 31st March 2022, has 3 members -Mr. Mukund Bakshi – Additional (Independent) Director (Chairman) Mr. Shailesh Patel- Independent Director and Mrs. Neela Sanjay Marathe – Non-Executive Director. During the year five Audit Committee Meetings were held. The details of the same are given in Corporate Governance Report. In pursuance of 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 & Whistle Blower Policy has been uploaded on the website of the Company at <http://www.chemcrux.com/investor-info.php>.

18. 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 have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have 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 have prepared the annual accounts on a going concern basis; and
- (e) the directors, have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. ANNUAL RETURN

The Draft of Annual Return of Company has been placed at the website of the Company pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 Weblink of the same is as <http://www.chemcrux.com/investor-info.php>.

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary Company. During the year, a Joint venture Agreement has been entered with Kalintis Healthcare Private Limited & a Joint Venture Company under the name Kalichem Private Limited w.e.f. 22nd December 2021 has been formed. The details are in form AOC-1 ([Annexure IV](#)).

21. DEPOSITS:

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

22. AUDITORS:

➤ STATUTORY AUDITORS

The Company's Auditors M/s. R.J. Shah & Associates has been appointed as the Statutory Auditor of the Company at the 22nd Annual General Meeting until conclusion of 27th Annual General Meeting of the Company for a term of five years. The [report of the Statutory Auditors](#) of the Company is annexed and is forming part of the Annual Report.

➤ 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 III](#)".

➤ INTERNAL AUDITORS:

The Company has appointed Naresh & Co. as the Internal Auditors. Their report is reviewed by the Audit Committee from time to time.

23. OBSERVATION OF AUDITORS:

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, Internal Auditors and Secretarial Auditors. The auditors have not reported any frauds under sub section 12 of section 143 other than those which are reportable to the Central Government.

24. 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.

25. 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 fresh shares by way of bonus issue in the ratio of 2:1 (two new shares for every one share held) during the year under review.
- d. **EMPLOYEES STOCK OPTION PLAN:** The Company has not provided any Stock Option Scheme to the employees.

26. CORPORATE GOVERNANCE:

Provisions relating to Corporate Governance Report under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable to the Company as on 31st March 2022, your Company was listed on BSE SME Platform. But the Company has voluntarily provided the details of the Corporate Governance in [Annexure I](#) to the Board's Report.

27. AWARDS AND RECOGNITIONS:

- One Star Export House
- AEO - T1 Certificate
- 2019 - SKOCH order of Merit (top 200 MSMEs)
- 2020 - 4th IPF Excellence Award (fast growing SME)
- 2021 - 1st Rank in Top 50 SME Companies (Dalal Street Investment Journal June 07-20, 2021 edition) Your company has received Authorised Economic Operator (AEO)-T1 certificate from Indian Customs Board, Ministry of Finance.

28. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report at [Annexure II](#).

29. 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

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.
 Ratio of remuneration of MD and Whole Time Director – 20.46 : 1 (Rs. 84,00,000 : 4,10,546)
 Other Directors – Not Applicable as they are only paid sitting fees.
- b) The percentage increase in the remuneration of each director, Chief Executive Officer, Chief Financial Officer and Company Secretary, if any in the financial year – During the FY 2021-22, there was Nil % increase in remuneration of WTD and MD. There is Nil% of increase in remuneration of CS in FY 2021-22 and for CFO, no comparative figures are available as he is appointed w.e.f. 01st August 2021.

- c) The percentage increase in the median remuneration of employees in the financial year – **Median Remuneration is Rs. 4,10,546 and average increase is 5% for the F.Y. 2021-22.**
- d) The number of permanent employees on the rolls of the Company as on 31.03.2022 – **91**
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – **Average 5% increase in salaries of Employees and Nil % increase in Managerial Remuneration of Directors during F.Y. 2021-22. The increase in remuneration of managerial person is commensurate with the efforts put in by them in leading the Company to greater heights and as per the prescribed limits of Schedule V of the Companies Act, 2013.**
- f) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through the compensation package, the company endeavors to attract, retain, develop and motivate high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance-based variable pay. **The Company affirms that the remuneration is as per remuneration policy of the Company.**

- g) Details pertaining to remuneration as required under Section 197 (12) 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 – **None of the employees were in receipt of remuneration above 8 lakh 50 thousand per month or Rs. One crore Two lakhs per annum and above.**

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

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. An Internal complaint committee is formed to look after complaints of women employees. No complaints for sexual harassment were received during the year.

31. MAINTENANCE OF COST RECORDS :

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 maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is applicable to the Company and the Company has maintained costs records for the F Y 2021-22. However, cost audit was not applicable to the Company for the Financial Year 2021-22.

32. CORPORATE GOVERNANCE AND FAIR BUSINESS PRACTICES:

The extant provisions of corporate governance prescribed under SEBI Regulations were not applicable to the Company as on 31st March 2022, being an SME listed Company. But as the shares of the Company were migrated and admitted to the dealings on BSE mainboard w.e.f. 05th May 2022, the said provisions were applicable from that date. The Company has followed the said provisions and the report on the Corporate Governance is voluntarily given in [Annexure I](#) to this Report. Company's approach to business is based upon core set of values and ethics. The management of Company is dedicated to ethical, fair and just business practices. In line with this vision, the Board of Directors of the Company have in place the Business Ethics Policy, which is available at the website of company www.chemcrux.com.

33. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS:

The Company has complied with the provisions of Secretarial Standards (I & II) issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

34. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THE CURRENT STATUS:

During the year under Review, neither any application was made, nor any proceedings were pending under Insolvency and Bankruptcy Code, 2016.

35. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not Applicable

36. 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. The Company has in place Human Rights Policy Statement to express Company's commitment to do business with ethical values and embrace practices that supports human rights, and labour laws on a continuous basis. The policy is available on the website of Company www.chemcrux.com.

37. CAUTIONARY STATEMENT:

Statements in these reports describing company's projection statements, expectations and hopes are forward looking statements. Though, these are based on reasonable assumption, the actual results may differ.

38. ACKNOWLEDGEMENTS:

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

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

**Place : Vadodara
Date : 12th August 2022**

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN
(DIN: 00469291)**

2.1 Annexure I - to the Board's Report 2021-22

CORPORATE GOVERNANCE REPORT 2021-22

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Chemcrux, is committed to the highest standards of fair, ethical and transparent governance practices. The corporate governance policies followed by Company are intended to ensure transparency in all dealings and to maximize long-term shareholder value by selling its goods and services. Company's corporate governance conforms to regulatory and legal requirements, such as the terms of Listing Regulations. Key aspects of the Company's Governance Processes are:

1. Clear statements of Board Processes and Board Executive linkage.
2. 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.
3. Identification and management of key risks to delivery of performance of the Company.

2. BOARD OF DIRECTORS

The Company has a balanced structure of the Board which is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). As on 31st March 2022, the Board comprises of Six Directors (Four being Non-Executive Directors), of which three Directors are the Independent Directors.

Mr. Girishkumar Shah- Whole Time Director is the Executive Chairman & Mr. Sanjay Marathe is the Managing Director. They both are promoters of the Company. Except Mr. Sanjay Marathe and Mrs. Neela Marathe- related to each other as husband and wife, none of the Directors have any inter-se relation among themselves and any employee of the Company. Out of 4 NED, only Mrs. Neela Marathe holds 72 shares in the Company and rest 3 (independent directors) do not hold any shares in the Company.

All Independent Directors on the Board are highly experienced, competent and renowned persons in their respective fields. They actively participate in the Board and Committee Meetings. The Board and Committee Meetings are convened by giving appropriate notice at least 7 days in advance of the date of meeting. The Directors are provided with appropriate information in the form of agenda items in a timely manner to enable them to deliberate on each agenda item and to make informed decisions. All significant developments and material events are brought to the notice of the Board. The gap between any two Board Meetings did not exceed one hundred twenty (120) days as prescribed under the Companies Act, 2013 and the Listing Regulations.

During the Financial year 2021-22, Seven Board Meetings were held on following dates:

Date of the Meeting	Total Strength	No. of Directors' present
11 th June 2021	6	4
23 rd July 2021	6	6
08 th September 2021	6	5
01 st November 2021	6	3
22 nd December 2021	6	6
19 th February 2022	6	6
24 th March 2022	6	4

The last Annual General Meeting was held on 24th August 2021. Details of composition of the Board, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) category, and Committee positions as on 31st March 2022 are given below:

NAME	DESIGNATION	DIN	No. of BM attended	Attended Last AGM (24/08/2021)	*No. of Directorships in other public limited companies	**No. of Committee positions held in other public limited companies	
						Chairman	Member
Mr. Girishkumar Champaklal Shah	WTD-ED (Chairman-Promoter)	00469291	7 of 7	Yes	Nil	Nil	Nil
Mr. Sanjay Yashwantrao Marathe	MD-ED (Promoter)	01316388	5 of 7	Yes	Nil	Nil	Nil
Mrs. Sidhdi Girishkumar Shah (upto 22/12/2021)	NED	00469138	3 of 5	Yes	Nil	Nil	Nil
Mrs. Neela Sanjay Marathe	NED	00469204	4 of 7	Yes	Nil	Nil	Nil
Mr. Bhanubhai Vashrambhai Patel	NED (I)	00727280	6 of 7	Yes	Nil	Nil	Nil
Mr. Shailesh Patel	NED (I)	02826895	7 of 7	Yes	Nil	Nil	Nil
Mr. Mukund Bakshi (w.e.f. 22/12/2021)	NED (Additional Director) (I)	00066993	2 of 2	NA	1	Nil	2

*Excluding Chemcrux Enterprises Limited

** Other Board Committees mean Audit Committee and Stakeholders' Relationship Committee

ED- Executive Director, WTD- Whole Time Director, MD- Managing Director, NED (I)- Non-Executive Director (Independent), NED- Non-Executive Director

3. LIST OF DIRECTORSHIPS HELD IN COMPANIES AND CATEGORY OF DIRECTORSHIP:

Name of Director	Name of the companies in which the Director of the Company is a Director	Category of Directorship in the companies
Mr. Girishkumar Champaklal Shah	Chemcrux Enterprises Limited	Whole Time Director, Executive Chairman
	Kalichem Private Limited	Nominee Director of Chemcrux Enterprises Limited
Mr. Sanjay Yashwantrao Marathe	Chemcrux Enterprises Limited	Managing Director
	Kalichem Private Limited	Nominee Director of Chemcrux Enterprises Limited
Mrs. Sidhdi Girishkumar Shah (upto 22/12/2021)	Chemcrux Enterprises Limited	Non-Executive Director- Woman Director
Mrs. Neela Sanjay Marathe	Chemcrux Enterprises Limited	Non-Executive Director- Woman Director
Mr. Bhanubhai Vashrambhai Patel	Chemcrux Enterprises Limited	Non-Executive (Independent) Director
	Kapil Organisers Private Limited	Director
Mr. Shailesh Patel	Chemcrux Enterprises Limited	Non-Executive (Independent) Director

Mr. Mukund Bakshi (w.e.f. 22/12/2021)	Chemcrux Enterprises Limited	Additional Director (Non-Executive & Independent)
	Jindal Hotels Limited	Non-Executive (Independent) Director

4. SKILL/ EXPERTISE/ COMPETENCE OF BOARD OF DIRECTORS:

The Board of Company comprises of qualified individuals who bring the required skills, competencies, expertise and diversity to the Board that allows them to contribute efficiently. The Board and Committees thereof, are committed to ensure that Company is compliant with Corporate Governance requirements. The Board has identified and briefly summarized key qualifications, skills and competence which are currently available with the Board in areas namely Leadership, Corporate Governance, Finance & Taxation, Legal, Global Business, Strategic Planning & Innovation. Further, the brief introduction of Board of Directors is as under:

a. Girishkumar Shah, Promoter, Executive Chairman and Whole Time Director

Girish Shah is the Promoter, Executive Chairman and Whole Time Director. He holds a degree in Bachelor of Engineering in Chemical from the Maharaja Sayajirao University of Vadodara and post-graduate in Industrial Management from Indian Institute of Science, Bangalore (I.I.Sc.). He has an experience of more than 42 years in chemical industry. Presently he heads Marketing and Finance division of the Company.

b. Sanjay Marathe, Promoter and Managing Director

Sanjay Marathe is the Promoter and Managing Director. He holds a degree in Bachelor of Engineering in Chemical from The Maharaja Sayajirao University of Vadodara and master's degree (M. Tech) from Indian Institute of Technology (IIT), Powai. He has an experience of more than 42 years in chemical industry. Presently, he is involved in overall production activities of the Company.

c. Shailesh Patel, Independent Director

Shailesh Patel has been appointed as Independent Director of Company with effect from September 30, 2016. He has completed his Bachelor of Commerce and Bachelor of law from, Maharaja Sayajirao University of Vadodara. He is a leading Advocate practicing in Vadodara.

d. Bhanubhai Patel, Independent Director

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

e. Neela Marathe, Non-Executive Director

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

f. Mukund Bakshi, Independent Director

Mukund Bakshi has been appointed as an Additional Director (Non-Executive and Independent) with effect from December 22, 2021. He has done Master's in Commerce and is a Chartered Accountant (CA). He is in Practice since 1986, presently a Partner with M/s. Mukund & Rohit, Chartered Accountants, Vadodara. He practices in the areas of Direct Taxes. He is associated with various NGOs and as an Independent Director on the Board of Jindal Hotels Limited.

5. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Regulation 25 (7) of the SEBI Listing Regulations mandates the Company to familiarize the Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programmes. The Executive Chairman and/or Managing Director has one to one discussion with the newly appointed Directors to familiarize them with the Company's operations. The Company through its Managing Director/ Whole time Director/ Senior Managerial Personnel periodically familiarize the Independent Directors with the strategy, business and operations of the Company. The above programme also includes the familiarization on statutory updates and compliances as a Board member including their roles, rights and responsibilities. The Familiarization programme for Independent Directors is uploaded on the website of the Company: www.chemcrux.com under investor info. At the time of appointing a Director, a formal

letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail about the Compliances required from him/ her under the Companies Act, 2013, SEBI Listing Regulations 2015 and other relevant provisions and affirmation is taken with respect to the same.

6. EVALUATION:

During the year, the Board has carried out evaluation of its own performance and the performance of the committees of the Board and Independent individual Directors. The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness. Performance review of Board as a whole, individual Executive Directors and the Board Chairman was also carried out by Independent Directors at their separate meeting, inter alia covering respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc.

Further, the Board has carried out the evaluation of the Independent Directors, which included the performance of the Independent Directors and fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

7. AUDIT COMMITTEE

TERMS OF REFERENCE:

The powers and terms of reference of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the Listing Regulations.

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors with purpose of assisting the Board in fulfilling its overall responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Audit Committee also oversees and reviews the functioning of a vigil mechanism and Whistle Blower Policy. All the members of the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. Besides having access to all the required information from within the Company, the Committee may obtain external professionals' advice, whenever required.

COMPOSITION:

The Audit Committee was constituted by the Board of Directors at its meeting held on 20th December 2016 and was reconstituted on 22nd December 2021. The composition of the Audit Committee as on 31st March 2022 is as under:

SR. NO.	NAME	DESIGNATION	CATEGORY
1	Mr. Mukund Bakshi	Chairperson cum Member	Independent Director
2	Mr. Shailesh Patel	Member	Independent Director
3	Mrs. Neela Marathe	Member	Non-Executive Director

The Audit Committee held five meetings and the time gap between any two meetings was less than 120 days. The dates of audit committee meetings and details of the attendance of the members of the committee are as under:

Name of Director	Audit Committee Meetings during 2021-2022					
	11 th June 2021	23 rd July 2021	08 th September 2021	01 st November 2021	19 th February 2022	% of attendance
Mr. Mukund Bakshi (w.e.f 22/12/2021)	NA	NA	NA	NA	Yes	100
Mr. Shailesh Patel	Yes	Yes	Yes	Yes	Yes	100
Mrs. Neela Marathe	-	Yes	Yes	-	Yes	60
Mr. Bhanubhai Patel (upto 22/12/2021)	Yes	Yes	Yes	Yes	NA	100

Mr. Mukund Bakshi is the present Chairman of the Audit Committee. Earlier, Mr. Shailesh Patel was Chairman, and he attended the last AGM of the Company held on 24th August 2021. All the members of Audit Committee have financial and accounting knowledge.

The Company's Internal Auditors, Statutory Auditors and head of finance department are invited to attend the meetings. The Company Secretary acts as the Secretary to the Committee.

8. NOMINATION AND REMUNERATION COMMITTEE:

TERMS OF REFERENCE:

Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the Listing Regulations, as amended from time to time.

The Committee to 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 formulates 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.

COMPOSITION:

The Nomination and Remuneration Committee was constituted by the Board of Directors at its meeting held on 20th December 2016 and was reconstituted on 22nd December 2021. The composition of the Nomination and Remuneration Committee as on 31st March 2022 is as under:

SR. NO.	NAME	DESIGNATION	Category
1	Mr. Bhanubhai Patel	Chairperson cum Member	Independent Director
2	Mr. Shailesh Patel	Member	Independent Director
3	Mr. Mukund Bakshi	Member	Independent Director

The Nomination and Remuneration Committee held two meetings during the FY 2021-22. The dates of Nomination and Remuneration committee meetings and details of the attendance of the members of the committee are as under:

Name of Director	Nomination and Remuneration Committee Meetings during 2021-2022		
	23 rd July 2021	22 nd December 2021	% of attendance
Mr. Bhanubhai Patel	Yes	Yes	100
Mr. Shailesh Patel	Yes	Yes	100
Mrs. Siddhi Shah (upto 22/12/2021)	Yes	Yes	100

Mr. Mukund Bakshi (w.e.f. 22/12/2021)	NA	NA	NA
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Mr. Bhanubhai Patel is the Chairman of the Nomination and Remuneration Committee, and he was present in the last Annual General Meeting held on 24th August 2021. The Company Secretary acts as the Secretary to the Committee.

The Board approved the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee. The main objectives of the Policy are outlined below:

- Recommending to the Board the appointment and re-appointment of Directors and senior management personnel and their remuneration.
- Carrying out performance evaluation of Directors.

Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the year ended March 31, 2022:

REMUNERATION OF DIRECTORS:

Non-Executive /Independent Directors:

- The Company pays sitting fees of Rs. 5,000/- for attending the meeting of the Board of Directors and Committee Meetings (for Audit Committee Meetings, Nomination and Remuneration Committee Meetings and Stakeholders Relationship Committee Meetings) to Non-Executive Directors. The policy is available at the website of company at www.chemcrux.com/investor-info.php.
- An Independent / Non- Executive Directors is also reimbursed the expenses incurred by him / her for attending the Board and / or Committee meetings.
- There are no pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the year ended on 31st March 2022.

Executive Directors:

- No sitting fees are paid to the Managing and Executive Directors.
- The Company pays remuneration to its Whole Time Director (Executive Chairman) and Managing 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 remuneration is paid within the overall limits approved by the members of the Company.

Details of the remuneration / sitting fees paid / payable to all the Executive/ Independent / Non-Executive for the year 2021-22 are given below:

(in Lakhs)					
SR. NO.	NAME	GROSS SALARY	SITTING FEES	PERFORMAN -CE BONUS	TOTAL
1	Girishkumar Champaklal Shah	84	Nil	21	105
2	Sanjay Yashwantrao Marathe	84	Nil	21	105
3	Sidhdhi Girishkumar Shah (upto 22/12/2021)	Nil	0.06	Nil	0.06
4	Neela Sanjay Marathe	Nil	0.15	Nil	0.15
5	Bhanubhai Vashrambhai Patel	Nil	0.18	Nil	0.18
6	Shailesh Patel	Nil	0.28	Nil	0.28
7	Mukund Bakshi (w.e.f. 22/12/2021)	Nil	0.15	Nil	0.15

Linkage to Performance:

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

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 includes accountability, governance, board operations, legal responsibilities, financial overview, board management relations and personal leadership.

9. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to provisions of section 178 of the Act and regulation 20 of the Listing Regulations, Stakeholders Relationship Committee was originally formed in the Board Meeting held on 20th December 2016 and was reconstituted on 22nd December 2021. The Committee specifically looks into issues relating to investors including share related matters and redressal thereof.

The role of the Stakeholders' Relationship Committee as specified in Part D of the Schedule II of the Listing Regulations has been included in the terms of reference of the Stakeholders Relationship Committee.

TERMS OF REFERENCE:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

COMPOSITION :

The Stakeholders Relationship Committee was constituted by the Board of Directors at its meeting held on 20th December 2016 and was reconstituted on 22nd December 2021. The composition of the Stakeholders Relationship Committee as on 31st March 2022 is as under:

SR. NO	NAME OF DIRECTOR	DESIGNATION	CATEGORY
1	Mrs. Neela Marathe	Chairperson cum Member	Director (Non-Executive)
2	Mr. Sanjay Marathe	Member	Managing Director (Executive)
3	Mr. Bhanubhai Patel	Member	Independent Director (Non-Executive)

The Stakeholders Relationship Committee held two meetings during the FY 2021-22. The dates of Stakeholders Relationship Committee meetings and details of the attendance of the members of the committee are as under:

Name of Director	Stakeholders Relationship Committee Meetings during 2021-2022		
	11 th June 2021	01 st November 2021	% of attendance
Mr. Bhanubhai Patel	Yes	Yes	100
Mr. Shailesh Patel (upto 22/12/2021)	Yes	Yes	100
Mrs. Siddhi Shah (upto 22/12/2021)	Yes	-	50
Mr. Sanjay Marathe (w.e.f. 22/12/2021)	NA	NA	NA
Mrs. Neela Marathe (w.e.f. 22/12/2021)	NA	NA	NA

Mrs. Neela Marathe is the present Chairperson of the Stakeholders Relationship Committee. Earlier, Mr. Shailesh Patel was the Chairman of the Stakeholders Relationship Committee, and he was present in the last Annual General Meeting held on 24th August 2021. The Company Secretary acts as the Secretary to the Committee.

NO. OF COMPLAINTS:

The Company and / or its RTA have not received the complaints from SEBI / Stock Exchanges or directly from the shareholders.

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

Dipika Rajpal is the Company Secretary and Compliance Officer of the Company and the person responsible for resolution of Investor Complaints.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The terms of reference of CSR Committee includes framing the CSR Policy and reviewing it from time to time to make necessary amendments so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year under review, CSR Committee recommended and the Board approved the amendments in the CSR Policy to incorporate the necessary clauses as mandated by CSR Amendment Rules. The CSR Policy of the Company is available on the website of the Company at www.chemcrux.com. The details with regard to CSR, Policy, Projects, amount spent on CSR, etc. are provided in the Directors Report in [Annexure V](#) forming part of the Board Report.

The CSR Committee formulates and recommends to the Board, an annual action plan in pursuance of CSR policy which include the following activities to be carried out for implementing in the financial year:

- the list of CSR projects or programs that are approved to be undertaken in areas or subjects as specified in the Act and rules made thereunder;
- the manner of execution of such projects or programs as specified in the Act and rules made thereunder;
- the modalities of utilisation of funds and implementation schedules for the projects or programs;
- monitoring and reporting mechanism for the projects or programs; and
- details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The CSR Policy has been revised and adopted by the Board of Directors in their Meeting held on 01st November 2021 and the same has been placed on the website of the company at www.chemcrux.com.

CONSTITUTION:

The CSR Committee was constituted by the Board of Directors at its meeting held on 17th August 2019 and was reconstituted on 22nd December 2021. The composition of the CSR as on 31st March 2022 is as under:

SR. NO	NAME OF DIRECTOR	DESIGNATION	CATEGORY
1	Mr. Sanjay Marathe	Member-Chairperson	Managing Director (Executive)
2	Mrs. Neela Marathe	Member	Director (Non-Executive)
3	Mr. Mukund Bakshi	Member	Independent Director (Non-Executive)

The CSR Committee held one meeting during the FY 2021-22. The date of CSR Committee meeting and details of the attendance of the members of the committee are as under:

Name of Director	Corporate Social Responsibility Committee Meeting during 2021-2022	
	11 th October 2021	% of attendance
Mr. Sanjay Marathe	Yes	100
Mr. Shailesh Patel (upto 22/12/2021)	Yes	100
Mrs. Siddhi Shah (upto 22/12/2021)	Yes	100
Mr. Mukund Bakshi (w.e.f. 22/12/2021)	NA	NA
Mrs. Neela Marathe (w.e.f. 22/12/2021)	NA	NA

The Company Secretary acts as the Secretary to the committee.

11. 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 and regulation 25(8) of SEBI (LODR) Regulations 2015.

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 appointment letters of Independent Directors have been placed on the Company's website at www.chemcrux.com under Investor info tab.

PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS:

The Board has done evaluating the performance of Non-executive and Independent Directors for the financial year ended on 31/03/2022. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry, finance and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

A meeting of the Independent Directors was held on 19th February 2022 during the current financial year without the attendance of Non-Independent Directors and members of Management for:

- 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 perform their duties effectively and reasonably.

All the Independent Directors attended the meeting.

12. GENERAL BODY MEETINGS:

ANNUAL GENERAL MEETING:

Year	Date	Venue	Time	Special Resolution(s)
2018-19	17 th September 2019	Registered Office of the Company: Chemcrux Enterprises Limited, 330, Trivia Complex, Natubhai Circle, Racecourse Road, Vadodara-390007	02:00 P.M.	No Special Resolution was passed
2019-20	17 th August 2020	AGM held Through Video Conference Hence Deemed Venue is Registered office of the company: Chemcrux Enterprises Limited, 330, Trivia Complex, Natubhai Circle, Racecourse Road, Vadodara-390007	02:00 P.M.	1. Approval of payment of remuneration to Mr. Girishkumar Shah 2. Approval of payment of remuneration to Mr. Sanjay Marathe All special resolutions passed with requisite majority.
2020-21	24 th August 2021	AGM held Through Video Conference Hence Deemed Venue is Registered office of the company: Chemcrux Enterprises Limited 330, Trivia Complex, Natubhai Circle, Racecourse Road, Vadodara- 390007	02:00 P.M.	1. Re-appointment of Mr. Shailesh Patel as Independent Director for 2 nd Term 2. Re-appointment of Mr. Bhanubhai Patel as Independent Director for 2 nd Term 3. Issue and Allotment of Bonus Shares 4. Proposal of formation of other entity in which directors are interested in granting loan and making investments All special resolutions passed with requisite majority.

No Extra-Ordinary General Meeting was held during the financial year 2021-22.

POSTAL BALLOT:

The details of the resolutions passed through Postal Ballot through remote E-voting (Voting through Electronic means) in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, (the Rules) read with MCA and SEBI Circulars and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2021-22 is as under:

Approval of Migration of Equity Shares of the Company from SME Platform of BSE Limited to Main Board of BSE Limited.

The Board of the Directors approved the notice of Postal Ballot at their meeting held on 19th February 2022 which provided the procedure for Postal Ballot. The same was also published on the website of the Company at www.chemcrx.com. The Company appointed Mr. Kashyap Shah, PCS as the Scrutinizer for conducting postal ballot in a fair and transparent manner.

The results of the Postal Ballot are as under:

Resoluti on No.	Particulars	Number of Votes			
		For	%	Against	%
1.	Migration of Equity Shares of the Company from SME Platform of BSE Limited to Main Board of BSE Limited	11141590	99.99%	1500	0.01%

The resolution as set out in the Notice of Postal Ballot dated 19th February 2022 was duly approved by the shareholders with requisite majority. The Company made required disclosures on the website of the Company and Stock Exchange -BSE Limited.

13. MEANS OF COMMUNICATIONS:

- The half yearly and the annual audited results are disseminated to BSE Limited, where the shares of the Company are listed and on the website of the Company. The Company was SME listed Company during the FY 2021-22, hence was not required to publish the extract of results in newspapers.
- The Company discloses to the stock exchange regarding information required to be disclosed under regulation 30 read with Part A of Schedule III of the Listing Regulations, including material information which have a bearing on the performance / operations of the Company.
- All information is filed electronically on BSE's online portal and BSE Listing Centre.
- The annual report of the Company, half-yearly and the annual financial statements of the Company are also placed on the Company's website at www.chemcrux.com and can be downloaded.
- The shareholders can visit the Company's website for financial information, shareholding information, all kinds of policies of the Company, annual reports of the previous Financial Years, etc.

14. GENERAL SHAREHOLDER INFORMATION:

(a)	26 th AGM Date Time Venue	Friday, 23 rd September, 2022 02:00 P.M. Chemcrux Enterprises Limited, 330, Trivia Complex, Natubhai Circle, Racecourse Road, Vadodara- 390007 to be held through video conferencing/other audio visual means
(b)	Tentative Financial calendar for FY 2022-23	April 2022 to March 2023
		1. First Quarter 2022 Results – on or before 14 th August 2022
		2. Second Quarter/ Half yearly Results 2022 – on or before 14 th November 2022
		3. Third Quarter 2022 Results – on or before 14 th February, 2022
4. Audited Results for the Fourth Quarter/ Year ending 31 st March 2023 - on or before 30 th May 2023.		
(c)	Date of Book closure	17 th September 2022 to 23 rd September 2022 (both days inclusive)
(d)	Dividend Payment date	Final dividend, if approved by the shareholders in the 26 th AGM will be paid within 30 days of declaration of the dividend at the rate of 20% per equity share (Rs. 2/- per share) having face value of Rs. 10/- each.
(e)	Listing on Stock	BSE Limited.

	Exchange	Add.: Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 The Company has paid Listing Fees for the period 1 st April, 2022 to 31 st March 2023 to BSE Limited within the specified timeline.				
(f)	i. Stock Code	540395				
	ii. International Securities Identification No. (ISIN)	INE298W01016				
(g)	Market price Data	The Monthly High / Low market price of the shares during the year 2021-22 at the BSE Limited vis-à-vis Stock Performance in comparison to Broad-based indices BSE Sensex				
		Month	Monthly High (Rs.)	Monthly Low (Rs.)	Sensex High	Sensex Low
		Apr 2021	82.95	46.67	50375.77	47204.5
		May 2021	116.00	69.33	52013.22	48028.07
		June 2021	108.32	86.37	53126.73	51450.58
		July 2021	150.05	85.35	53290.81	51802.73
		Aug 2021	165.98	128.37	57625.26	52804.08
		Sep 2021	161.87	121.65	60412.32	57263.9
		Oct 2021	140.00	120.05	62245.43	58551.14
		Nov 2021	144.95	102.25	61036.56	56382.93
		Dec 2021	139.70	110.00	59203.37	55132.68
		Jan 2022	192.80	119.50	61475.15	56409.63
		Feb 2022	189.60	139.00	59618.51	54383.2
		Mar 2022	158.00	140.00	58890.92	52260.82
(h)	Performance with Broad Base Indices (BSE Sensex)	Particulars	Chemcrux Enterprises Limited		BSE Sensex	
		As on 01 st April 2021	145.05		50029.83	
		As on 31 st March 2022	153.00		58568.51	
		Changes (%)	5.48		17.07	
(i)	Registrar and Transfer Agents	Bigshare Services Private Limited (SEBI Registration No.: INR000001385) CIN: U99999MH1994PTC076534 Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra- 400093 Ph. No.: 022 - 40430200 / 62638200 Email: info@bigshareonline.com				
(j)	Share Transfer System	Bigshare Services Private Limited, being the Registrar & Transfer Agent (RTA) handle requests for transfer, transmission, transposition, dematerialization, rematerialization and other investor related services. These activities are handled under the supervision of and co-ordination with the Company Secretary who is also the Compliance Officer under the Listing Regulations. *All the shares of the Company are in demat form.				

14. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2022:

No. of Equity Shares		Number of Shareholders	Percentage of Share Holder	Shares	% of Total
1	5000	6	0.59	8600	0.01
5001	10000	401	39.31	3010000	2.03
10001	20000	311	30.49	4670000	3.15
20001	30000	119	11.67	3262500	2.20
30001	40000	16	1.57	595000	0.40
40001	50000	26	2.55	1170000	0.79
50001	100000	62	6.08	3937500	2.66
100000 and above		79	7.74	131434800	88.75
TOTAL		1020	100.00	148088400	100

15. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company's equity shares are compulsorily traded in dematerialized form on BSE and 100% of the equity shares are in dematerialized form. ISIN number the Company is INE298W01016. The Company has demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

16. PLANT LOCATIONS:

Location	Address
Gujarat	4712-14, Road South-10, GIDC, Ankleshwar, Bharuch, Bharuch, Gujarat, 393002 (Factory)
Gujarat	307,308 to 311/10, Ankleshwar industrial estate, GIDC, ANKLESHWAR, Bharuch, Gujarat, 393002 (R&D and warehouse)

17. ADDRESS FOR CORRESPONDENCE:

Shareholders correspondence should be addressed to either at Registered Office of the Company or at the address of RTA of the Company - Bigshare Services Private Limited given as above.

18. DISCLOSURES:

RELATED PARTY TRANSACTIONS:

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The details of the related party transactions are set out in the notes to the financial statements forming part of this Annual Report. Company's Policy on related party transactions is uploaded on the website of the Company: www.chemcrux.com

CODE OF CONDUCT:

The Company has laid down a Code of Conduct for all Board members and Senior Management. The Code of Conduct is available on the website of the Company www.chemcrux.com. All Board Members and the Senior Management have affirmed compliance with the Code of Conduct for the year under review. The declaration of Managing Director is [annexed](#).

WHISTLE BLOWER POLICY/VIGIL MECHANISM:

- The Company had established a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. The details of establishment of such mechanism have been posted by the Company on its website. During the year under review, none of the employee was denied access to the Audit Committee.
- There was no non-compliance by the Company during the last three financial years and hence no penalties, strictures were imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

19. MANAGEMENT:

A. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report is set out in a separate section included in the Annual Report and forms a part of this Report.

B. DISCLOSURE OF MATERIAL FINANCIAL AND COMMERCIAL TRANSACTIONS:

As per the disclosures received from all the Directors and the Senior Management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under review.

20. REASON FOR RESIGNATION OF INDEPENDENT DIRECTORS:

During the year under review, no Independent Director has resigned from the Company.

21. CREDIT RATINGS:

During the year Company has not obtained any credit rating.

22. NON-DISQUALIFICATION OF DIRECTORS:

The certificate confirming non-disqualification of Directors is not required as the Company has given Corporate Governance Report voluntarily. However, none of the directors are debarred from being appointed as directors under applicable laws for the time being in force.

23. FEES PAID TO THE STATUTORY AUDITORS:

During the financial year 2021-22, the Statutory Auditors of the Company were paid fees for statutory audit amounting to Rs. 1 Lakh. The same is in line the Audit Committee approval.

24. DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTOR:

The particulars about the brief resume and other information of the Directors seeking re-appointment as required to be disclosed under this section as per regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on general meetings are provided as an [Annexure A](#) to the notice convening the 26th Annual General Meeting.

25. COMPLIANCE BY THE COMPANY:

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations and guidelines of SEBI. Further, during last three years, no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

26. CEO / CFO CERTIFICATION:

The requisite [certification](#) from the Managing Director and the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of this Report.

27. TRANSFER OF UNCLAIMED / UNPAID DIVIDEND AMOUNT AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"):

Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies have to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF. The Company confirms that there are no cases of unclaimed dividend with respect to past dividends and hence no such amount was required to be transferred to IEPF account during the F.Y 2021- 22.

28. RECOMMENDATION OF THE COMMITTEES:

Recommendations of the Committees are submitted to the Board for approval and the Board has accepted all the recommendations during the F.Y 2021-22.

29. 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.

30. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT:

Name of the Company in which directors are interested	Loan Amount (in Lakhs) during the FY 2021-22
Kalichem Private Limited (Joint Venture Company)	Rs. 125 Lakhs

31. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Auditors' Certificate on Corporate Governance is not required as the Company has provided the corporate governance information voluntarily for the FY 2021-22.

32. DISCLOSURE ON COMPLIANCE:

Company has complied with the requirements of the Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has not adopted discretionary requirements as specified in Part E of schedule II.

33. NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY:

Company is compliant with Listing Regulations and there are no such non-compliances.

34. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTION THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE:

None of the transactions with any of the related parties were in conflict with the interest of the Company

35. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES: Not Applicable

36. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2019 is not applicable.

37. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)ACT, 2013:

Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

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

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN
(DIN: 00469291)**

**Place: Vadodara
Date: 12th August 2022**

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS 2015

To,
The Board of Directors,
CHEMCRUX ENTERPRISES LIMITED
330, TRIVIA Complex, Natubhai Circle,
Racecourse Vadodara-390 007

Subject: Submission of Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

We, Krutarth Parikh, Chief Financial Officer of the Company and Sanjay Y. Marathe, Managing Director of the Company jointly and severally declare and certify for the Financial Results for the year ended 31st March 2022 as under:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- [1] these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - [2] these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee
- (1) There are no significant changes in internal control over financial reporting during the year;
 - (2) There are no significant changes in accounting policies during the year.
 - (3) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

FOR CHEMCRUX ENTERPRISES LIMITED

Sd/-
Krutarth Parikh
Chief Financial Officer

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Date: 20th May 2022
Place: Vadodara

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, Sanjay Marathe, Managing Director of Chemcrux Enterprises Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2022.

I confirm that the Company has in respect of the said financial year, received from the senior management team and the members of the board of the Company a declaration of compliance with the code of conduct as applicable to them.

FOR CHEMCRUX ENTERPRISES LIMITED

Sd/-
Sanjay Marathe (Managing Director)
DIN: 01316388

Date: 20th May 2022
Place: Vadodara

2.2 Annexure II - to the Board's Report 2021-22

Management Discussion and Analysis

1. ECONOMIC OVERVIEW:

The Financial year 2022 proved to be yet another year of never-seen-before challenges as the COVID 19 pandemic continued to rage with each fresh wave buffeting both society at large and businesses in particular. At a macroeconomic level, inflation, geopolitical uncertainties and supply chain disruptions were a cause of concern during the year. The resulting mood was one of nervousness and anxiety over how businesses would recover from these factors and from the disruptions caused by the pandemic. The silver lining is that the overall economy is showing signs of a partial recovery. However, there are multiple concerns that continue to create an element of uncertainty about the intensity and speed of recovery.

2. CHEMICAL INDUSTRY OVERVIEW:

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

In the chemical sector, industrial licensing and 100% FDI, under the automatic route, are allowed with exception to few hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 19.09 billion between April 2000 to December 2021. From April 2021 to February 2022, exports of organic & inorganic chemicals increased 33.75% YoY to reach US\$ 26.48 billion. Indian companies are witnessing interest from strategic investors led by Japan, Korea and Thailand, as they seek to diversify supply chains from China.

Since China constitutes 20% of the global Speciality chemical industry (\$800 billion), even a 5% shift in market share from China to India can translate into an \$8-billion opportunity for the Indian Speciality chemical companies. Further, ongoing geo-political situation of Russia-Ukraine war and Covid19 have prompted, the global end-user industries to diversify their vendor base and looking for alternative sources. These concerns have favoured Indian manufacturers to invest further in specialty chemicals. Thus, India can become another source of a Speciality chemical manufacturing hub.

2.1 SPECIALTY CHEMICALS INDUSTRY:

Specialty chemicals are low-volume, high-value products used in a large number of consumer-facing sectors. The Indian specialty chemicals sector derives almost equal revenue from exports and domestic sales.

The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. Specialty chemicals account for over 50% of chemical exports, dominated by agrochemicals, dyes and pigments, etc. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22. Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). From April 2021 to February 2022, exports of organic & inorganic chemicals increased 33.75% YoY to reach US\$ 26.48 billion. Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

According to Crisil, the Indian specialty chemicals industry would outperform its Chinese counterpart and double its worldwide market share to 6% by 2026, up from 3-4% in FY21. This will be fuelled by robust revenue growth of 18-20% this fiscal year and 14-15% the following year, compared to single-digit growth in the prior two fiscal years. Growth will be fuelled by two factors: significant export tailwinds due to a shift in the global supply chain caused by vendors' China+1 policy and demand recovery in local end-user segments.

2.2 ACTIVE PHARMA INGREDIENTS (API) INDUSTRY: GLOBAL & INDIAN

The active pharmaceutical ingredients (API) market was valued at approximately USD 177.05 billion in 2021, and it is expected to reach USD 258.60 billion by 2027, registering a CAGR of nearly 7.50% during the forecast period 2022-2027.

DOMESTIC

The coronavirus pandemic laid the need for an API manufacturing hot-spot other than China, and India has the potential to be one. While the production of generic drugs is bound to see some significant transformation as different countries are evolving to become active producers, India can step up and develop infrastructure for large scale manufacturing of APIs, thus enabling the India pharma sector to dominate the world market in future. It has presented India with a golden opportunity to build world-scale API industry and compete successfully with China in the global markets.

2.3 INTERMEDITES

Chemical Intermediates Market was valued at USD 113.2 Billion in 2020 and is projected to reach USD 132.1 Billion by 2028, growing at a CAGR of 8.2% from 2021 to 2028. Chemical intermediates are widely used in the production of agricultural chemicals such as pesticides and fertilizers. As a result, increasing agricultural production is the market's primary growth driver. Chemical intermediates are regularly consumed by the pharmaceutical industry, where they are used in the production of drugs as needed. An increase in the prevalence of diseases, as well as consistent efforts to develop new drugs, are supporting the growth of the Chemical Intermediates Market.

3. OPPORTUNITIES & THREATS:

Your Company has been continuously striving to keep its costs to minimum possible to aggressively compete with Indian & global competitors. Your Company continues to work on economies of scale. The company falls under MSME sector due to which it enjoys various incentives. Company's highly motivated manpower helps in continual process improvements & cost reductions. As Environmental Clearance for R&D and warehouse is received, the Company is working to strengthen the R&D capabilities which will help company to improve cost efficiency & processes. Our focus is on quality of product, long-term relationships, stable and sustainable operations and best practices for suppliers and customers with end applications in APIs, dyes and pigments.

Further, Emergence of a potential China + 1 strategy in global supply chains has opened new doors for Indian Economy and Government of India's 'Make in India' and 'Atmanirbhar Bharat' initiatives have fuelled domestic manufacturing.

Your Company has in place 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. Company has successfully implemented ISO 50001:2018 and has got certification from the coveted BSI (British Standards Institute). The Company is now Energy Management Systems compliant and aims for continual improvement in energy performance, including energy efficiency, use and consumption.

4. RISKS AND CONCERNS:

Global Concerns: Continued impact of COVID-19 pandemic and geopolitical shock of Russia-Ukraine war, which has disrupted both supply chains and global growth. The resulting uncertainty in the global economy and capital markets may lead to a decline in demand. Your Company may be affected to that extent.

Regulatory and environment: Like all chemical companies, your Company is subject to central, state and local laws and regulations relating to pollution, protection of the environment, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Other areas of risks are accidents, fire or mishaps. However, the Company is adequately insured and health and safety measures are always prioritized. Any major change in Environment Policy by Government can affect the production on short term basis.

Volatility in Raw Materials Prices: Volatility in the global prices of raw materials is also a major challenge faced by the chemical industry. Sharp corrections in the crude oil prices and prices of various raw materials procured by the Company can influence bottom line.

Slowdown in End User Industries: The slowdown in growth of industries such as Pharmaceuticals, Dyes & Pigments amongst others could impact the overall growth. However, your Company has an ability to shift the

manufacturing towards those products which enjoy better demand-supply dynamics thereby sustaining profitability and insulating the operations from slowdown in a particular product category.

5. SEGMENT WISE PERFORMANCE:

Your Company operates in Single segment of manufacturing of Speciality Chemicals which includes intermediates for bulk Drugs (API), Dyes & pigment industries segment. Your Company also had best capacity utilization in Chlorosulfonation & Oxidation facilities - manufacturing intermediates for bulk Drugs (API), Dyes & pigment industries.

6. OUTLOOK:

Stringent environmental regulations and increased cost of labour have already stifled growth in China. The outbreak of Covid-19 compounded the situation further as companies across the world are looking for alternate supply solutions. India's chemical export is growing at a higher rate than China's. Further, Japan's announcement to offer incentives to companies shifting base from China to India further proves the strong desires of certain countries to reduce dependence on China and develop alternative supply chains.

High raw material costs and logistic challenges have impacted the operating performance of the specialty chemical companies & same has been reflected in prices. It is expected that global supply chain difficulties would be removed in the near future and there will not be any further Covid 19 pandemic major disturbances. There have been no impact/bottlenecks in import of major raw materials and exports of finished products and the Company does not foresee any bottlenecks in the future also. Company has got requisite Environmental clearance during the year and your Company is working for expansion as scheduled. The focus is on capex to add to the existing capacity and cater to the demands of domestic and international market. Kalichem Private Limited (JV Company) is formed, which will help company to expand the business. With a combination of efficient planning, expanding production and the relentless efforts we shall definitely do our best to overcome all odds and deliver yet another fulfilling year ahead.

7. ENVIRONMENT HEALTH & SAFETY:

Your 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 Company to operate in an eco-friendly manner. Continuously, the Company has used 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. Your Company is also member of CETPs for their various liquid effluents. Regular safety drills ensure that readiness for safety gets top priority. The Company will strive to further improve to create safer working conditions for the workers.

8. INTERNAL CONTROL SYSTEM:

Your 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 audit is conducted by an independent professional firm on regular basis. The Audit Committee also regularly reviews the reports of the Statutory Auditors, and Internal Auditors. The Company has successfully implemented ERP solution in order to enhance the internal control systems in procurement, planning, production, dispatch, operations and accounts & finance departments.

9. FINANCIAL & OPERATIONAL PERFORMANCE:

The financial performance has been maintained on the same lines as of previous year. Financial performance is summarized are as under:

(In Lacs, except EPS)

Particulars	31st March 2022	31st March 2021
Revenue from Operations	9527.06	5333.10
Other Income	99.83	79.64
Total Revenue	9626.89	5412.74
Profit before Tax & Extra Ordinary Items	2000.83	1199.93
Profit Before Tax	2001.24	1204.52
Profit after Tax	1491.89	893.36
Earnings per Share	10.07	6.03

RATIOS: The reasons for variation are provided where variance is more than 25% compared to previous financial year:

Sr. No	Name of Ratio	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.10	4.39	-52.19%
	The Company has taken a Short Term Loan of Rs. 8 Crores at the end of the year which is repayable in one year. This has resulted in the decrease in Ratio					
2	Debt Equity Ratio (in times)	Short Term Borrowings + Long Term borrowings	Total Equity	0.15	0.02	-544.20%
	The Company has taken a Short Term Loan of Rs. 8 Crores at the end of the year. This has resulted in the increase in the Ratio					
3	Debt Service Coverage Ratio (In times)	Earning for Debt Service (PAT + Depreciation + Interest +Other Non Cash Expenses)	Total Debt Service (Interest + Finance Lease Payments + Principal Repayment)	21.42	15.45	38.69%
	There has been increase in Profits for the year resulting in improvement in the Ratio					
4	Return on Equity Ratio (%)	Profit after Tax	Avg Shareholder's Equity	31.20%	24.39%	27.93%
	There has been increase in Profits for the year resulting in improvement in the Ratio					
5	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	8.66	7.18	20.65%
6	Trade Receivables Turnover Ratio (In times)	Net Sales	Average Trade receivables	8.59	8.38	2.41%
7	Trade Payables Turnover Ratio (In times)	Net Purchase	Average Trade Payables	9.64	7.07	36.23%
	The Average Trade Payables reduced as compared to Purchases showing efficient payment cycle leading to improvement in Ratio					
8	Net Capital Turnover Ratio (In times)	Net Sales	Average Working Capital	3.82	2.68	42.41%
	The Net Working Capital reduced due to Short Term Borrowing at Year end resulting in increase in the Ratio					
9	Net Profit Ratio (%)	Profit for the Year	Total Revenue	15.66%	16.75%	-6.52%
10	Return on Capital Employed (%)	PBT + Finance Cost (EBIT)	Capital Employed	31.35%	28.44%	10.25%
11	Return on Investment	Net Profit	Total Assets	18.17%	18.35%	-0.97%
12	Operating Profit Margin	Operating Profit	Revenue from Sales	22.54%	24.75%	-8.93%
13	Return on Networth	Net Profit	Net worth	15.66%	38.05%	-58.84%
	The return on networth has reduced due to addition in equity share capital.					
14	Interest Service Coverage Ratio	EBIDTA	Interest	260.89%	81.96%	218.32%
	EBITDA was considered in our working instead of EBIT to ascertain cash profits available to pay interest. The Interest Service coverage ratio has increased due as Company has taken short term loan at the end of 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. We are working not only towards top line growth, but also for bottom line growth.

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

Human capital has always been the most important and valuable asset for 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 end of FY 2021-22, the total number of the employees of Company is 91. The management is committed to promote safety, occupational health and proper environment in designing, planning, training and completion of all tasks. Regular trainings are imparted to workmen in various areas.

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

**Place: Vadodara
Date: 12th August 2022**

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN
(DIN: 00469291)**

2.3 Annexure- III to the Board's Report 2021-22

Secretarial Audit Report

(For the Financial year ended on 31st March 2022)

[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
330, TRIVIA Complex, Natubhai Circle, Racecourse,
Vadodara - 390007

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by CHEMCRUX ENTERPRISES LIMITED, CIN-L01110GJ1996PLC029329 (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 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, 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 31st March, 2022, 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, 2018.
 - D. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. - 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, 2018. - 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.

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.

There are adequate systems and processes in the company to monitor and ensure compliance. A case was filed by the Gujarat Pollution Control Board against the Company & Directors, for charges under the provisions of the Environment (Protection) Act, 1986. The Company has complied with the order of the Court by making payment of fine.

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. Mr. Shailesh Patel and Mr. Bhanubhai Patel were re-appointed as Independent Directors by passing Special Resolution at Annual General Meeting held on 24th August, 2021. The Board made appointment of Mr. Mukund Bakshi as Independent Director w.e.f. 22nd December, 2021.

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 Special Resolutions at Annual General Meeting of the Company held on 24th August, 2021 for following:

1. Appointment of Mr. Shailesh Patel and Mr. Bhanubhai Patel as Independent Directors for second tenure of Five years.
2. Issuance and allotment of 9872560 as Bonus Equity Shares of Rs. 10/- each.
3. To make investments and loan or give any guarantee or provide any security in connection with any loan taken by any entity in whom any of the Directors of the Company may be interested as per the permissible limits under section 186 of the Act.

Further, the Company passed Special Resolution through Postal Ballot dated 30th March, 2022, for migration of listing of Equity Shares of the Company from SME platform of BSE Limited to Main Board of BSE Limited.

For Kashyap Shah & Co.
Practising Company Secretaries

(Kashyap Shah)
Proprietor
FCS No. 7662, CP No. 6672
UDIN:- F007662D000783602

Place: Vadodara
Date: 12.08.2022

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
330, TRIVIA Complex, Natubhai Circle, Racecourse,
Vadodara - 390007

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

(Kashyap Shah)
Proprietor
FCS No. 7662. CP No. 6672

Place: Vadodara
Date: 12.08.2022

2.4 Annexure- IV to the Board's Report 2021-22

Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

As on March 31, 2022 Company had no Subsidiary hence the disclosure in respect of the table below is not applicable.

1. Name of the subsidiary :-NA
2. The date since when subsidiary was acquired :-NA
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period :-NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries :-NA
5. Share capital :-NA
6. Reserves and surplus :-NA
7. Total assets :-NA
8. Total Liabilities :-NA
9. Investments :-NA
10. Turnover :-NA
11. Profit before taxation :-NA
12. Provision for taxation :-NA
13. Profit after taxation :-NA
14. Proposed Dividend :-NA
15. Extent of shareholding (in percentage) :-NA

Notes :

1. Name of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year. NA

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Name of Associates or Joint Ventures: KALICHEM PRIVATE LIMITED

1. Latest audited Balance Sheet Date: March 31, 2022
2. Date on which the Associate or Joint Venture was associated or acquired: 22nd December 2021
3. Shares of Associate or Joint Ventures held by the company on the year end:
 - a. No. of Shares: 5000 shares (50%)
 - b. Amount of Investment in Associates or Joint Venture: Rs. 50,000
 - c. Extent of Holding (in percentage): 50%
4. Description of how there is significant influence: 50% Holding of Chemcrux Enterprises Limited
5. Reason why the associate/joint venture is not consolidated: NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet: Rs. 1,00,000/-.
7. Profit or (Loss) for the year
 - a. Considered in Consolidation -N.A.
 - b. Not Considered in Consolidation -N.A.

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

**Place: Vadodara
Date: 12th August 2022**

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN
(DIN: 00469291)**

2.5 Annexure-V to the Board's Report 2021-22

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2021-22

1. Brief outline on CSR Policy of the Company. The Company's CSR Policy containing inter-alia the specified areas for proposed CSR activity is available on the website of Company at the link - www.chemcrux.com/investor-info.php under investors info/Corporate Policy.
2. Composition of CSR Committee as on 31st March 2022:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Marathe	Chairman (Managing Director)	1 (dated 11 th Oct. 2021)	1 (dated 11 th Oct. 2021)
2	Mrs. Neela Marathe*	Member (Non-Executive Director)	N.A.	N.A.
3	Mr. Mukund Bakshi*	Member (Independent Director)	N.A.	N.A.

*Have been appointed to CSR Committee w.e.f. 22/12/2021 upon changes in Directors & consequent re-constitution of CSR Committee. Till 22nd December 2021, the CSR committee composition was as under:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Marathe	Chairman (Managing Director)	1 (dated 11 th Oct. 2021)	1 (dated 11 th Oct. 2021)
2	Mrs. Sidhdhi Shah	Member (Non-Executive Director)	1 (dated 11 th Oct. 2021)	1 (dated 11 th Oct. 2021)
3	Mr. Shailesh Patel	Member (Independent Director)	1 (dated 11 th Oct. 2021)	1 (dated 11 th Oct. 2021)

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: www.chemcrux.com/investor-info.php under investors info/Corporate Policy.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NA
6. Average net profit of the company as per section 135(5):. Rs. 13,12,47,431/-
7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 26,24,949/-
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: N.A.
(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 26,24,949/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Rs. 26.36 Lakhs	Amount	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Health Related	Providing Medical and Health care Aid	Yes	Gujarat	Vadodara	11,80,000/-	No	Muni Seva Ashram	CSR000 04688
2.	Environment Related	Conservation of natural resources	Yes	Gujarat	Vadodara	6,31,560/-	No	The Banyan City Jaycees Education Trust	CSR000 07114
3.	Agriculture related	Value addition to medicinal plants, processing of post-harvest fruits, vegetables and grains	No	Maharashtra	Mumbai	8,25,000/-	No	J B Joshi Research Foundation	CSR000 23019
	Total					26,36,560/-			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 26,36,560/-

(g) Excess amount for set off, if any: Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):. N.A.

Sd/-
Girishkumar Shah
Whole Time Director
(DIN: 00469291)

Sd/-
Sanjay Marathe
MD & Chairman of CSR Committee
(DIN: 01316388)



Chemcrux Enterprises Limited
Glimpse Of Corporate Social Responsibility
for the financial year 2021-22
in the areas as under:

1. Health
2. Environment
3. Agriculture



INDEPENDENT AUDITOR'S REPORT

To,
The Members of Chemcrux Enterprises Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of **CHEMCRUX ENTERPRISES LIMITED (“the Company”)** which comprise the Balance sheet as at **31st March, 2022**, the Statement of Profit & Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Standalone Financial Statements”)

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 52 to the Financial Statements which explains the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to COVID-19 pandemic situation.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance, Shareholder's Information and Other Information included in the Company's Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

A further description of the auditor's responsibilities for the audit of the financial statements is located in Appendix A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditors Report) Order, 2020 ("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, to the extent applicable.

(ii) 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 31st March, 2022, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2022 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 matter to be included in the Auditors Report u/s. 197(16) of the Act, in our opinion and according to information and explanations given to us, the remuneration paid by company to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V in terms of requisite approvals obtained as mandated therein and is not in excess of the limits specified therein.
- h) 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 details of pending litigations and their impact on the Financial Statements in Note 23 of these standalone financial statements.
- (ii) There are no long-term contracts for which there were material foreseeable losses for which provision is required
- (iii) There were no amounts which were required to be transferred to the Investor Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Dividend declared and paid during the year by the Company is in compliance with S. 123 of the Act.

FOR, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

Sd/-
CA ROHIT SHAH
PARTNER
(M R N : 034139)
UDIN: 22034139AJHRMS5930

Date : 20.05.2022
Place: Vadodara

Appendix A to Independent Auditors' Report

Further description of Auditor's responsibilities for audit of financial statements

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

“ANNEXURE – A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirement’s” section of our report of even date for the year ended 31st March 2022 of Chemcrux Enterprises Limited)

- (i) (a) (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 maintained proper records showing full particulars of the Intangible Assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which the Property, Plant and Equipment are verified in phased manner over a period of time. In accordance with its program, certain Property, Plant and Equipment 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, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The physical verification of inventories has been conducted at reasonable intervals by the management of the Company and in our opinion, and to the best of our knowledge and belief, the coverage and procedure for such verification by the management is appropriate. On the basis of our examination of the records of physical verification of inventory, we are of the opinion that the no discrepancies of 10% or more in aggregate for each class of inventory were noticed. 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.
- (b) The Company has not been obtained sanction of working capital limits in excess of Rs. 5 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets, at any point of time of the year. Hence, no comments are required on Paragraph 3 (ii)(b) of the Order.
- (iii) During the year, the Company has made investments in and granted an unsecured loan to a Joint Venture Company.
- (a) During the year, the Company has provided an unsecured loan to a Joint Venture Company. The details of the same are as under :
- Aggregate amount of loan granted during the year – Rs. 1,25,00,000
Balance outstanding as at the Balance Sheet Date – Rs. 1,25,00,000
- Apart from the above the Company has not granted any loans or provided advances in the nature of loans, or stood guarantee, or provided security, to any other entity.
- (b) The Investments made in Joint Venture company and the grant of loan mentioned above are not prejudicial to the interests of the Company.
- (c) In respect of the loan granted, the schedule of repayment of principal and payment of interest has been stipulated. No repayments or receipts were due during the year.
- (d) No amount was overdue against the loan granted.

- (e) The loan granted had not fallen due during the year. Hence, there no comments are required regarding renewal or extension of the same.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying the period of repayment.
- (iv) In respect of Loans and Investments as mentioned in Para (iii) above, the provisions of S.185 and S.186 of the Act have been complied with. The Company has not given any guarantees or security.
- (v) The Company has not accepted any deposits or amounts deemed to be 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) We have broadly reviewed the cost records maintained by the company for its products pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to the Company were outstanding, as at 31st March, 2022 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 Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it which have not been deposited on account of any dispute.
- (viii) There are no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence no further comments are required under Para 3(viii) of the Order.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence no further comments are required under Para 3(ix)(a) of the Order.
- (b) The Company has not been declared Willful Defaulter by and bank or financial institution or other lender.
- (c) The Term Loans raised during the year were applied for the purpose for which they were obtained.
- (d) The funds raised on short term basis have not been utilized for long-term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Venture. The Company does not have any subsidiaries or associates.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its Joint Venture. The Company does not have any subsidiaries or associates.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

- (xi) (a) There has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) No report under Sub-section (12) of S. 143 of the Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 12 of the Companies (Audit and Auditors) Rule, 2014 with the Central Government.
- (c) As per the information and explanation given to us, no whistle-blower complaints, were received by the Company during the year.
- (xii) The Company is not a “Nidhi” Company. Hence, Para (xi) 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) (a) The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (b) The Reports of the Internal Auditor for the period under Audit were considered by the Statutory Auditors
- (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) (a) As per information and explanations given to us , the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance Activities during the year.
- (c) The Company or any member Company of the Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, no comments are required on Paragraph (xvi) (c) & (d) of the Order.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditor during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has spent the amount required to meet it Corporate Social Responsibility (CSR) obligations as per S. 135 of the Act. The Company does not have any ongoing CSR Projects. Hence no further comments are required under Para (xx) of the Order.

(xxi) These being standalone financial statements, no comments are required under Paragraph (xxi) of the Order since the same is related to Consolidate Financial Statements.

FOR, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

Date : 20.05.2022
Place: Vadodara

Sd/-
CA ROHIT SHAH
PARTNER
(M R N : 034139)
UDIN: 22034139AJHRMS5930

“Annexure – B” to the Independent Auditor’s 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 **31st March, 2022** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Date : 20.05.2022
Place: Vadodara

FOR, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)
Sd/-
CA ROHIT SHAH
PARTNER
(MRN: 034139)
UDIN: 22034139AJHRMS5930

CHEMCRUX ENTERPRISES LIMITED- STANDALONE BALANCESHEET AS AT 31ST MARCH 2022

(In Lacs)

Particulars		Notes	31-03-22	31-03-21
(1)	EQUITY AND LIABILITIES			
(1)	SHARE HOLDERS FUND			
	(a) Share capital	3	1,480.88	493.63
	(b) Reserves and Surplus	4	3,997.52	3,591.62
(2)	SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3)	NON-CURRENT LIABILITIES			
	(a) Long-Term Borrowings	5	-	47.44
	(b) Deferred Tax Liabilities (Net)	6	127.91	110.06
	(c) Other Long Term Liabilities	7	-	-
	(d) Long-Term Provisions	8	-	-
(4)	CURRENT LIABILITIES			
	(a) Short-Term Borrowings	9	801.50	45.34
	(b) Trade Payables	10	995.96	84.92
	(c) Other Current Liabilities	11	315.10	195.98
	(d) Short-Term Provisions	12	491.50	300.00
	TOTAL		8,210.37	4,868.98
(II)	ASSETS			
(1)	NON-CURRENT ASSETS			
	(a) Property Plant and Equipment & Intangible Assets	13		
	(i) Property, Plant & Equipment		2,282.33	1,934.79
	(ii) Intangible Assets		0.97	2.20
	(ii) Capital work-in-progress		-	32.04
	(iv) Intangible Asset under Development		-	-
	(b) Non-Current Investments	14	72.95	71.83
	(c) Long-Term Loans and Advances	15	256.87	-
	(d) Other Non-Current Assets	16	131.39	79.02
(2)	CURRENT ASSETS			
	(a) Inventories	17	1,157.17	737.02
	(b) Trade Receivables	18	1,887.71	331.32
	(c) Current Investments	19	683.92	862.82
	(d) Cash and Cash Equivalents	20	1,179.53	271.10
	(e) Short-Term Loans and Advances	21	531.21	471.65
	(f) Other Current Assets	22	26.31	75.17
	TOTAL		8,210.37	4,868.98
	Notes forming part of the Financial Statements	1 to 53		

The Notes referred to above form an integral part of the Financial Statement as per our Report of Even Date

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date: 20.05.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Krutarth Parikh
CFO

Sd/-
Dipika Rajpal
CS

Place : Vadodara
Date : 20.05.2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(In Lacs)

	Particulars	Notes	31-03-22	31-03-21
I	Revenue From Operations	28	9,527.06	5,333.10
II	Other Income	29	99.83	79.64
III	Total Income (I + II)		9,626.88	5,412.74
IV	Expenses:			
	Cost of Materials Consumed	30	5,220.18	2,120.03
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(433.15)	(41.92)
	Employee Benefits Expenses	32	631.91	612.21
	Financial Costs	33	7.70	14.82
	Depreciation and Amortization Expenses		146.47	120.13
	Other Expenses	34	2,052.94	1,387.54
	Total Expenses		7,626.06	4,212.81
V	Profit Before Exceptional / Extra Ordinary Items & Tax (III - IV)		2,000.83	1,199.93
VI	Exceptional items (Prior Period Expense)		-	-
VII	Profit before Extraordinary Items & Tax (V - VI)		2,000.83	1,199.93
VIII	Extraordinary Items Less: Prior Year's Income Tax Adjustment		(0.41)	(4.59)
IX	Profit Before Tax (VII - VIII)		2,001.24	1,204.52
X	Tax expense :			
	(1) Current tax		491.50	300.00
	(2) Deferred tax		17.85	11.16
XI	Profit/(Loss) from Continuing Operations (IX-X)		1,491.89	893.36
XII	Profit/(Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	Profit/(loss) from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV	Profit / (Loss) for the Period (XI+XIV)		1,491.89	893.36
XVI	Earning per Equity Share:			
	Basic		10.07	6.03
	Diluted		-	-
	Notes forming part of the Financial Statements	1 to 53		

The Notes referred to above form an integral part of the Financial Statements as per our Report of Even Date

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date : 20.05.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Krutarth Parikh
CFO
Place : Vadodara
Date : 20.05.2022

Sd/-
Dipika Rajpal
CS

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH, 2022

(In Lacs)

Particulars	31-03-22	31-03-21
A. Cash flow from Operating Activities :		
<i>Net Profit before Tax & Extra Ordinary Items</i>	2,001.24	1,204.52
Adjustment for :		
Depreciation & Write-offs	146.47	120.13
Interest & Financial Charges	7.70	14.82
Gratuity Non Cash Adjustment for AS 15	8.79	16.76
(Profit) / Loss on Sale of Asset	(3.91)	-
(Profit) / Loss on Sale of units of Mutual Fund	(21.06)	(14.52)
<i>Operating Profit before Working Capital Changes</i>	2,139.22	1,341.71
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(1,556.39)	609.43
(Increase)/Decrease in Inventories	(420.15)	(281.65)
(Increase)/Decrease in Loans & Advances	(316.43)	83.04
(Increase)/Decrease in Other Current Assets	50.95	(51.59)
(Increase)/Decrease in Other Non-Current Assets	(52.37)	(79.02)
Increase/(Decrease) in Trade Payables	911.04	(163.79)
Increase/(Decrease) in Provisions	191.50	(63.00)
Increase/(Decrease) in Other Current Liabilities	119.13	(114.81)
<i>Cash Generated from Operations</i>	1,066.49	1,280.32
<i>Gratuity Contribution Paid</i>	10.87	18.59
Direct Taxes	491.50	300.00
<i>Cash Flow before Extra Ordinary Items</i>	564.12	961.73
Extra Ordinary Items		
Net Cash Flow from Operating Activities	564.12	961.73
B. Cash flow from Investing Activities		
Purchase of Property, Plant & Equipments	(470.64)	(616.10)
Net Proceeds From Sale of Asset	13.19	-
Purchase of Mutual Fund Units	(423.05)	(1,162.84)
Sale of Mutual Fund Units	623.01	962.88
Investment in Shares	(0.50)	-
Net Cash used in Investment Activities	(257.99)	(816.06)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Short Term Borrowings	756.16	45.34
Increase/(Decrease) in Long Term Borrowings	(47.44)	(57.53)
Interest Paid	(7.70)	(14.82)
Dividend Paid	(98.73)	(49.36)
Net Cash used in Financing Activities	602.30	(76.37)
D. Net Increase/(Decrease) in Cash and Cash Equivalents	908.43	69.30
Cash and Cash Equivalents (Opening)	271.10	0.00
Cash and Cash Equivalents (Closing)	1,179.53	69.31

As per our Report of Even Date

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date : 20.05.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291

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Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Krutarth Parikh
CFO

Sd/-
Dipika Rajpal
CS

Place : Vadodara
Date : 20.05.2022

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ANNEXED THERETO FOR THE YEAR ENDED 31ST MARCH 2022;

1. General Information of the Company :

Chemcrux Enterprises Limited (“the company”) was incorporated in April 1996 to undertake 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 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 & was listed on the SME Exchange on BSE on 28th March, 2017.

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 continues to have robust outlook for the future.

The Company has recently entered into a Joint Venture for manufacturing of certain specialty chemicals and expects the same to be operational by end of the next year adding value to the Company.

The Company has successfully migrated to the Main Board of the BSE from 5th May, 2022, another milestone in the journey.

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 (GST) 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 :

- a. 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.
- b. Finished products are valued at lower of cost or net realizable value and including the excise duty payable on this stock.
- c. 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 availment 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 Goods and Service 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. GST and Input Tax Credit:

- a. Purchases and Sales are accounted exclusive of GST element and net of recoveries, if any.
- b. A Comprehensive Goods & Services Tax (GST) was introduced w.e.f. 01.07.17, subsuming majority of Indirect Taxes especially Excise Duty and VAT. GST is a destination-based tax and is levied at the point of supply. It is collected on sale of goods and services on behalf of Government and is remitted by way of payment or adjustment of credit on input goods or services.
- c. Accordingly, Purchases & Sales are accounted net of GST. Similarly, other items of expenditure on which credit for GST is available on items or revenue on which GST is chargeable are also accounted net of GST elements.

- d. GST Accounts are created under Balance Sheet Groupings for liability towards GST collected on Sales / Other Revenue and asset towards GST paid on purchases or other expenditure for which credit is available. For Each month / quarter, as applicable, the GST liability is worked out after offsetting the credit available against the GST collected.
- e. The Net GST Account appears in the Balance Sheet as a Liability under Current Liabilities – Statutory Liabilities, if any amount is payable as at the year-end after offsetting the available credit and as an Asset under Loans & Advances - Indirect Taxes Recoverable from Statutory Authorities if credits remain unutilized after adjusting the amount payable.

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 non-current 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 non-current investments.

Non-current 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. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3. SHARE CAPITAL :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) AUTHORISED		
150 Lacs { p.y. 60 Lacs } Equity Shares of `10/- each	1,500.00	600.00
(b) ISSUED, SUBSCRIBED AND PAID-UP CAPITAL.		
148.08 Lacs { p.y. 49.36 Lacs } Equity Shares of ` 10/- each	1,480.88	493.63
(of which 98.72 Lacs Equity Shares of Rs. 10 each issued as fully-paid up Bonus Shares in proportion of 2 Shares for every share held on by utilisation of Share Premium Account and Balance out of the Surplus in Statement of Profit and Loss Account during F.Y. 2021-22)		
(of which 18.00 Lacs equity shares of Rs. 10/- each issued as fully paid-up bonus shares by capitalisation of free reserves during F.Y. 2016-17)		

(c) RECONCILIATION OF NUMBER OF SHARES

(Amount In Lacs)

Particulars	31st March, 2022		31st March, 2021	
	No. of Shares	Amount `	No. of Shares	Amount `
Balance at the Beginning (Nos.)	49.36	493.63	49.36	493.63
Addition / (Reduction) Bonus Issue During the Year	98.73	987.26	-	-
Balance at the end (Nos.)	148	1,481	49.36	493.63

(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 & SHARES HELD BY PROMOTER **(No. of shares- In Lacs)**

Name of Equity Shareholder	31st March, 2022		31st March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoter Group				
Girish C Shah	54.00	36.466	18.00	36.466
Sanjay Y Marathe	54.00	36.466	18.00	36.466
Other than Promoters	-	-	-	-

(f) DIVIDEND PAID AND PROPOSED:

The Board of Directors, in its meeting held on 20th May, 2022 have proposed a Final Dividend of 20% i.e. Rs. 2/- per equity share for the Financial Year ended 31st March, 2022. The said proposal would result in a cash outflow of Rs. 296.18 Lacs.

The said proposal of Final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

4. RESERVES & SURPLUS :-

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
(a)	SECURITIES PREMIUM RESERVE		
	Balance as at the beginning of the year	106.88	106.88
	Add : Securities Premium received during the year	-	-
	Less : Utilisation for Issue of Bonus Shares	106.88	-
	TOTAL ` (a)	-	106.88
(b)	SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
	Balance as at the beginning of the year	3,484.74	2,640.74
	Add : Profit for the year	1,491.89	893.36
	Less : Appropriations :		
	Utilised for Issuance of Bonus Shares	880.38	-
	Final Dividend (2020-21)	98.73	
	Final Dividend (2019-20)	-	49.36
	TOTAL ` (b)	3,997.52	3,484.74
	TOTAL ` (a+b)	3,997.52	3,591.62

5. LONG TERM BORROWINGS :-

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
(a) SECURED :			
Term Loans :			
From KotaK Mahindra Bank Ltd.		-	35.38
From Kotak Mahindra Prime Ltd (Car Loans)		-	1.50
		-	36.88
(b) UNSECURED :			
From Directors		-	10.55
		-	10.55
	TOTAL	-	47.44

Balances of Term Loans from Kotak Mahindra Bank Ltd include :

Term Loans from Kotak Mahindra Bank were secured against all existing and future receivables, current assets and movable property plant and equipments. Rate of Interest is EBLR 4.0% (as per latest sanction) + 3.90% (spread) i.e., 7.90%. The installments commenced from February 2018 and June 2018 respectively. The Loans were paid off in their entirety during the year.

The above facilities were 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.

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 has been paid @ 12% p.a. only to the Non-Executive Directors. These Loans were paid off in its entirety during the year.

6. DEFERRED TAX LIABILITIES (Net) :-

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
Deferred Tax Liabilities		127.91	110.06
(difference between accounting and tax depreciation)			
Net Deferred Tax Liabilities as at the year end		127.91	110.06

7. OTHER LONG TERM LIABILITIES :

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
	TOTAL	-	-

8. LONG TERM PROVISIONS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Provision for Employee Benefits		
Provision for Gratuity (Net)	-	-
(b) Others	-	-
TOTAL `	-	-

9. SHORT TERM BORROWINGS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
SECURED :		
From Kotak Mahindra	-	-
Working Capital* (repayable on demand)		
Short Term Term Loan*	800.00	-
Current Maturities of Long Term Debts		
- Kotak Mahindra Prime Ltd Car Loan (Instalments due within one year)	1.50	4.63
- Kotak Mahindra Prime Ltd, Car Loan (Instalments due within one year)	-	40.72
TOTAL `	801.50	45.34

*- The Company has obtained sanction of Cash Credit Limits of ` 200 Lacs as well as Short Term Loan of ` 800.00 lacs against First and Exclusive Charges on all existing and future current assets. The Facilities are further secured by way of mortgage of immovable property of the Company as a Collateral as well as personal guarantees of the two directors i.e., Girish Shah and Sanjay Marathe. The applicable Rate of Interest is RPRR 4.0% (as per latest sanction) + 2.90% (spread) i.e., 6.90%.

The Company had fully availed the Short-Term Loan and the repayment was due with installments commencing from April, 2022 itself. The Company had not utilised any amount against the Cash Credit Limits as at the end of the year.

Balances of Car Loan from Kotak Mahindra Prime Ltd include :

The Balance of Car Loan is against purchase of Car which is secured against hypothecation of the same. The Loan is repayable in 60 equated monthly instalments starting from 05th December 2017 with last instalment payable on 05th November 2022. Rate of Int. : 8.64%

10. TRADE PAYABLES :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Total Outstanding Dues to Micro Enterprise and Small Enterprise	-	-
Total Outstanding Dues to Others	995.96	84.92
TOTAL `	995.96	84.92

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 Materials and Services 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 Enterprises .

“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 :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Interest Accrued but not due on borrowing	0.45	0.46
(b) Interest Accrued and due on borrowings	-	-
(c) Incomes Received in Advance	-	-
(d) Unpaid Dividends	0.02	0.02
(e) Others Payables :		
- Creditors for Expenses	163.83	115.27
- Statutory Liabilities	31.59	8.48
- Other Payables	119.21	71.75
- Advances Received from Customers	-	-
TOTAL `	315.10	195.98

12. SHORT TERM PROVISIONS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Provision for Employee Benefits	-	-
(b) Provision for Current Taxation	491.50	300.00
TOTAL `	491.50	300.00

13. PROPERTY PLANT AND EQUIPMENTS & INTANGIBLE ASSETS

(In Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION / AMORTAISATION				NET BLOCK	
	Balance as on 01/04/2021	Additions during the Year	Deduction Disposal	Balance as on 31-03-22	Balance as on 01/04/2021	Deductions	Depreciation for the year	Balance as on 31-03-22	As on 31/03/2022	As on 31/03/2021
Property, Plant & Equipment										
Land	201.31	-	-	201.31	-	-	-	-	201.31	201.31
GIDC Quarter	1.83	-	1.83	-	0.64	0.64	-	-	-	1.19
Factory Building	771.53	94.62	-	866.16	77.37	0.03	25.20	102.53	763.62	694.17
Office Premises	6.67	-	-	6.67	6.18	(0.03)	0.01	6.22	0.45	0.49
Furniture & Fixtures	18.35	13.42	-	31.77	6.59	-	1.79	8.39	23.38	11.75
Computer	18.49	1.40	-	19.89	15.36	-	1.66	17.02	2.87	3.13
Motor Car	64.35	27.63	23.76	68.22	26.13	15.68	7.51	17.96	50.26	38.22
Office Equipment	19.63	3.99	-	23.62	13.43	-	2.43	15.86	7.76	6.20
Plant & Machinery	1,430.12	360.99	-	1,791.11	506.99	-	100.98	607.98	1,183.13	923.12
Pollution Control System	86.00	-	-	86.00	30.79	-	5.66	36.44	49.55	55.21
Intangible Assets										
Computer Software	4.78	-	-	4.78	2.58	-	1.22	3.81	0.97	2.20
Total `	2,623.06	502.06	25.60	3,099.52	686.07	16.32	146.47	816.22	2,283.30	1,936.99
Previous Year `	2,106.17	584.06	-	2,690.22	565.94	-	120.13	686.07	2,004.15	1,540.23

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 Property Plant & Equipments 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.

The Company had invested in Office Premised at Gift City Gandhinagar amounting to Rs. 67.16 Lacs. The same has been reclassified during the year to Non-Current Investments as per future plans of the Management for the same. Hence, the same has been shown as a reduction from the head "Office Premises" and presented under Non-Current Investments.

14. NON CURRENT INVESTMENTS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Investments in Equity Instruments (At Cost)		
Unquoted, Trade		
In Joint Venture Company		
Kalichem Private Limited (5000 Equity Shares of Rs. 10 each fully paid up) (PY - Nil)	0.50	
Unquoted, Non Trade		
36703 {P.Y. 36703} Equity Shares of ` 10 each of Narmada Cleartech Ltd (Previously known as Bharuch Eco-Acqua Inf. Ltd)	3.67	3.67
25000 {P.Y. 25000} Equity Shares of ` 10 each of Ankl. Reas. & Analy Infrastructure Ltd.	1.00	1.00
TOTAL (a) `	5.17	4.67
(b) Investments in Immoveable Properties (At Cost)		
Office Premises at Gift City, Gandhinagar	67.78	67.16
TOTAL (b) `	67.78	67.16
TOTAL `	72.95	71.83

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

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Capital Advances	131.87	-
(b) Security Deposits	-	-
(c) Loans to Related Parties (Kalichem Private Limited)	125.00	-
(d) Other Loans and Advances (recoverable in cash or kind or for value to be received)	-	-
TOTAL `	256.87	-

16. OTHER NON-CURRENT ASSETS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Long-term Trade Receivables	-	-
(b) Security Deposits	131.29	78.92
(b) Others		
Fixed Deposits (maturity after 12 Months)	0.10	0.10
TOTAL `	131.39	79.02

Security Deposit includes Rs. 2 Lacs (P.Y. Rs 2 Lacs) given towards leased premises to Related Parties.

17. INVENTORIES :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Raw Materials	417.86	430.85
Work-in-Progress	214.15	249.96
Finished Goods	522.17	53.20
Stores and Spares	3.00	3.00
TOTAL `	1,157.17	737.02

18. TRADE RECEIVABLES :- (Unsecured, Considered Good)

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Outstanding for a period exceeding Six Months	0.83	58.11
(b) Others	1,886.88	273.21
TOTAL `	1,887.71	331.32

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

19. CURRENT INVESTMENTS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Investment in Mutual Funds (At Cost)		
Quoted , Non Trade		
UTI Money Market Fund (28253.083 Units) (P.Y 15002.933 Units)	683.92	357.78
UTI Liquid Cash Plan (Nil Units) (P.Y 15307.86 Units)	-	505.04
TOTAL `	683.92	862.82
Market Value of Quoted Investments	703.72	875.30

20. CASH AND CASH EQUIVALENTS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Balances with Banks	1,160.29	253.96
(b) Margin Money Deposits (Maturing within 12 Months)	10.68	10.44
(c) Cash on Hand	8.55	6.69
TOTAL `	1,179.53	271.10

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

(In Lacs)

Particulars	31/03/2022	31/03/2021
Advance Income Tax and Refunds Receivable	443.82	353.19
Indirect Taxes Recoverable Balance with Revenue Authorities	46.65	53.58
Advances to Staff	17.91	20.55
Other Short Term Loans and Advances (recoverable in cash or kind or for value to be received)	22.83	44.34
TOTAL `	531.21	471.65

22. OTHER CURRENT ASSETS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Advance to Suppliers	4.44	60.19
Prepaid Expenses	12.94	8.14
Gratuity Account (Excess of Fair Value of Planned assets over Present Value of Obligations)	8.94	6.85
TOTAL `	26.31	75.17

23. CONTINGENT LIABILITIES AND COMMITMENTS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Contingent Liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees	-	-
Other Moneys for which Company is contingently liable *	-	-
TOTAL `	-	-
Commitments		
Estimated amount of Contracts pending to be executed on capital account (not provided for)		
Uncalled Liability on Shares or Investments Partly Paid		
Other Commitments		
TOTAL `	-	-

(* A compliant has been filed against the Company and its Directors by Gujarat Pollution Control Board. The Management is opting for compounding of the same. However, the compounding dues cannot be ascertained at this juncture)

24. The Company has used the borrowing from Banks and Financial Institutions for the specific purpose for which it was taken at the Balance Sheet Date.

25. In the opinion of the Board, all assets which are considered good (other than Property Plant & Equipment's 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.

26. AGEING OF TRADE PAYABLES DUE :

(In Lacs)

Particulars	Outstanding for following periods from due date of payment					Total (Rs.)
	Not Due	< 1 Yr	1 - 2 Yrs	2 - 3 Yrs	> 3 Yrs	
(a) MSME (Previous Year)	- -	- -	- -	- -	- -	- -
(b) Others (Previous Year)	980.66 (81.96)	15.30 (2.96)	- -	- -	- -	995.96 (84.92)
(c\) Disputed MSME (Previous Year)	- -	- -	- -	- -	- -	- -
(cd) Disputed Others (Previous Year)	- -	- -	- -	- -	- -	- -
TOTAL	980.66	15.30	-	-	-	995.96
PY	(81.96)	(2.96)	-	-	-	(84.92)

26. AGEING OF TRADE RECEIVABLES

(In Lacs)

Particulars	Outstanding for following periods from due date of payment						Total (Rs.)
	Not Due	< 6 Mths	6 Mts - 1 Yr	1 - 2 Yrs	2 - 3 Yrs	> 3 Yrs	
(a) Undisputed							
Considered Good (Previous Year)	1,172.38 (200.69)	714.50 (123.73)	0.20 (5.06)	0.03 -	0.60 (0.88)	- (0.96)	1,888 (331)
Considered Doubtful (Previous Year)	- -	- -	- -	- -	- -	- -	- -
(b) Disputed							
Considered Good (Previous Year)	- -	- -	- -	- -	- -	- -	- -
Considered Doubtful (Previous Year)	- -	- -	- -	- -	- -	- -	- -
TOTAL	1,172.38	714.50	0.20	0.03	0.60	-	1,887.71
PY	(200.69)	(123.73)	(5.06)	-	(0.88)	(0.96)	(331.32)

27. Additional Regulatory Information:

- (i) There are no immovable properties (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company
- (ii) The Company has not revalued its Property, Plant and Equipment
- (iii) The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMPs and Related Parties either severally or jointly with other persons that are repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company did not have any Capital Work-in-Progress as at the end of the year.
- (v) The Company did not have any Intangible Assets under Development as at the end of the year.

- (vi) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder
- (vii) The Company has never been declared as a Willful Defaulter by any bank or financial institution or other lender.
- (viii) The Company had obtained sanction of working capital limits against security of current assets. However, these limits were not utilised at any time during the year. Hence, as such there were no actual borrowings against current assets during the year.
- (ix) The Company has entered into following transactions with Struck-off Companies :

Name of Struck Off Company	Nature of Transaction	Outstanding Amount (Rs.)	Relationship
Bluepeter Shipping Pvt. Ltd	Handling Charges for import Payables (Rs. 54,783)	Nil	None
Pratap Logistics Pvt. Ltd.	Freight Octroi and Transport Payables (Rs. 57,200)	Nil	None

- (x) There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period or otherwise.
- (xi) The Company has made a direct investment in Joint Venture during the year which does not have any further downstream investment. Hence, it is in compliance with the number of layers prescribed under Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017
- (xii) There was no Scheme of Arrangements during the year
- (xiii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

28. REVENUE FROM OPERATIONS :-

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
(a)	Sale of Products		
	- Domestic Sales	5,929.08	3,204.02
	- Export Sales (including Deemed Exports)	2,272.16	1,075.08
	Total Sale of Products	8,201.24	4,279.10
(b)	Other Operating Revenues		
	- Job Work	1,325.81	1,054.00
	Total Operating Revenues	1,325.81	1,054.00
	TOTAL	9,527.06	5,333.10

29. OTHER INCOME :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Duty Drawback	14.66	13.51
Interest Income	9.14	7.51
Exchange Rate Difference (Net)	22.63	12.97
Gain on Investment in Mutual Fund	21.06	14.52
Rate Differences, Discounts, Write-offs (Net)	3.42	8.14
Sales Tax / VAT Refund Received	-	22.82
MEIS License Benefit	25.00	-
Profit on Sale of Assets	3.91	-
Other Income	0.00	0.17
Dividend Received	0.00	-
TOTAL	99.83	79.64

Where amount is reflecting Rs. 0.00 (lacs) - the amount is below Rs. 500/-

30. COST OF MATERIALS CONSUMED :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Opening Stock of Raw Materials	430.85	191.13
Add : Purchases (incl. Import Duties)	4,994.49	2,239.07
	5,425.35	2,430.20
Less : Closing Stock of Raw Materials	417.86	430.85
Raw Materials Consumed	5,007.49	1,999.35
Stores and Consumables	187.10	101.01
Packing Materials	25.59	19.67
TOTAL	5,220.18	2,120.03

Material Consumption	31st March 2022		31st March 2021	
	Amount (Rs.)	% Consumed	Amount (Rs.)	% Consumed
Imported	1,109.83	22.16	797.46	22.35
Indigenous	3,897.66	77.84	1,201.88	77.65
	5,007.49	100.00	1,999.35	100.00

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STORES AND SPARES :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Opening Stocks		
Finished Goods	53.20	39.55
Work-in-Progress	249.96	221.70
Stores and Spares	3.00	3.00
	306.16	264.25
Closing Stocks		
Finished Goods	522.17	53.20
Work-in-Progress	214.15	249.96
Stores and Spares	3.00	3.00
	739.31	306.16
TOTAL	(433.15)	(41.92)

32. EMPLOYEE BENEFIT EXPENSES :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Salaries and Wages	363.89	305.66
Provident Fund ,ESI , Bonus and Gratuity	36.22	74.71
Directors' Remuneration*	210.00	210.00
Staff Welfare	21.81	21.84
TOTAL	631.91	612.21

* Remuneration for the year includes Rs. 42 lacs (P.Y Rs 42 Lacs for FY 2019-20) towards performance bonus for FY 2020-2021

33. FINANCE COSTS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Interest on Loans from Banks	4.36	10.23
Bank Charges and Other Borrowing Costs	2.95	0.96
Other Interest	0.38	3.63
TOTAL	7.70	14.82

34. OTHER EXPENSES :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
(a) Manufacturing \ Direct Expenses		
Freight, Octroi & Transportation	47.21	17.69
Repairs & Maintenance	209.26	137.71
Power and Fuel	512.47	299.45
Effluent Treatment Charges	210.90	145.91
Labour Charges	122.27	90.34
Other Factory Expenses	354.84	269.99
Total (a)	1,456.96	961.10
(b) Administrative & Other Expenses		
Audit Fees	2.00	1.00
Vehicle Expenses	6.74	6.80
CSR Expense	26.37	21.02
Donation	0.11	-
Directors' Sitting Fees	0.82	0.35
Insurance Premium	33.08	31.15
Legal, Professional, License & Filing Fees	68.97	34.79
Office & General Administration Expenses	11.71	9.28
Repairs & Maintenance (Shed & Building)	24.14	21.37
Security Service Charges	16.76	14.80
Travelling Expenses	5.24	1.16
Rent, Rates & Taxes	12.67	17.70
Environment Compensation Charges	50.00	25.00
Total (b)	258.60	184.42
(c) Selling & Distribution Expenses		
Custom Clearing Charges for Exports	89.93	38.57
Freight Outward	206.66	191.02
Sales Commission	26.64	1.89
Advertisement Exp	2.01	1.54
Total (c)	325.25	233.01
(d) Research & Development Expenses		
Legal & Professional Expense	12.14	9.00
Total (d)	12.14	9.00
TOTAL (a+b+c+d)	2,052.94	1,387.54

35. CORPORATE SOCIAL RESPONSIBILITY :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Gross Amount Required to be spent by the Company during the year (as per the provisions of Section 135 of the Companies Act, 2013 read with rules thereon)	26.25	20.93
Amount of Expenditure Incurred	26.37	-
Shortfall, if any, at the end of the year	-	-
Total of Previous Years Shortfall	-	-
Reason for Shortfall	NA	NA
Details of Related Party Transactions in CSR	None	None
Provision Made for CSR and Movements therein	None	None
Nature of CSR Activities		
The Company has spent a sum of Rs.26.36 Lacs through contributions made to Registered Trusts / Institutions inter-alia involved in activities specified in Schedule VII of the Companies Act, 2013 and having a established track record of more than 3 years.		

36. C.I. F. VALUE OF IMPORTS :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Raw Materials	1,144.77	817.43
TOTAL	1,144.77	817.43

37. EXPENDITURE IN FOREIGN CURRENCY :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Travelling Exp	2.42	-
TOTAL	2.42	-

38. EARNINGS IN FOREIGN CURRENCY :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Export of Goods on FOB basis	1,203.81	1,059.74
TOTAL	1,203.81	1,059.74

39. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE :-

(In Lacs)

Particulars	31/03/2022	31/03/2021
Sundry Creditors	24.72	75.64
Sundry Debtors	283.82	73.46
TOTAL	308.54	149.10

40. DIRECTORS' REMUNERATION :-

Directors' Remuneration paid during the year is within the limits prescribed by Section 197 read with Part II of Schedule V of the Companies Act, 2013. Remuneration paid during the year of Rs. 2,10,00,000/- (P.Y Rs. 2,10,00,000) includes Rs. 42.00 Lac(P.Y Rs. 42.00 Lac) being Performance bonus relating to F.Y 2020-21 which when included with regular remuneration of F.Y 2020-21 remains within aforesaid limits. Perquisites of Free Usage of Car are given to the Directors. No contributions are made to PF and they are not considered eligible for Bonus, Gratuity and Leave Encashment.

41. AUDITORS' REMUNERATION :-

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
	As Statutory Auditors	1.00	1.00
	In Other Capacity	-	-
	TOTAL	1.00	1.00

42. POST EMPLOYMENT BENEFITS :-

- a. Provident Fund and Employee State Insurance paid during the year being defined contributions have been charged to the of Profit & Loss Account. Accordingly, Company has recognised the following amounts as expenses in the Statement of Profit & Loss.

		(In Lacs)	
Particulars		31/03/2022	31/03/2021
	Provident Fund	23.40	22.38
	ESIC	3.03	2.73
	TOTAL	26.42	25.12

- b. 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.
- c. 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 an overall ceiling of ` 20 Lacs. 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.

(In Lacs)		
Changes in Present Value of Defined Benefit Obligation	31/03/2022	31/03/2021
Present Value of Obligations as at the beginning of the Year	164.60	120.71
Interest Cost	11.52	9.05
Current Cost	9.05	6.29
Benefits Paid	(14.85)	(7.61)
Actuarial (gains) / losses on obligation	0.22	13.53
Present Value of Obligations as at the end of the Year	170.55	141.97
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	171.45	124.59
Expected Return on Plan Assets	12.01	10.28
Contributions	10.87	19.74
Benefits Paid	(14.85)	(7.61)
Actuarial (gains) / losses on Plan Assets	NIL	NIL
Fair Value of Plan Assets as at the end of the Year	179.48	146.99
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	170.55	141.97
Fair Value of Plan Assets as at the Year end	179.48	146.99
Net Asset / (Liability) recognized in Balance Sheet	8.94	5.02
Net Gratuity Benefit Expenditure Recognised in P&L Account		
Current Service Cost	9.05	6.29
Interest Cost	11.52	9.05
Expected Return on Plan Assets	(12.01)	(10.28)
Net Actuarial (Gain) / Loss Recognised in the Year	0.22	13.53
Net Expense Recognised in Statement of Profit and Loss	8.79	18.59
Principal Assumptions Used		
	31/03/2022	31/03/2021
Discount Rate	7.00%	7.25%
Expected Return on Plan Assets	7.25%	7.25%
Salary Escalation Rate	7.00%	7.00%
Major Categories of Plan Assets		
Insurer Managed Funds	100%	100%

43. RELATED PARTY TRANSACTIONS :-

The Company has identified all the related parties having transactions for the 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 and WTD
	Mr. Sanjay Marathe-Managing Director
	Mrs.Sidhdhi Shah-Director (Upto: 22nd December 2021)
	Mrs. Neela Marathe-Director
	Mr Sushilkumar Tripathi - CFO (Upto : 31st July 2021)
	Mr. Krutarth Parikh - CFO (From : 01st August 2021)
	Ms. Dipika Rajpal - CS
Enterprise over which Key Management Personnel significant influence	Dr Prem's Molecules Private Limited
	Kalichem Private Limited

b. Transaction and Balances with Related Parties

(In Lacs)

Name of Related Parties	Transaction during year		Balances as at	
	2021-22 (Rs.)	2020-21 (Rs.)	31-03-22	31-03-21
Key Managerial Person				
Director Remuneration	210.00	210.00	32.60	9.00
Unsecured Loans Recd/(Paid) (net)	10.55	0.64	-	10.55
Interest on Unsecured Loan	0.34	0.75	-	-
Remuneration to CFO	4.59	3.81	0.38	-
Remuneration to CS	3.60	3.90	0.30	-
Lease Rent	15.13	14.40	-	0.81
Lease Deposit	-	-	2.00	2.00
Enterprise over which Key Management have Significant Influence				
Legal & Professional Expense (R&D)	12.14	9.00	-	0.95
Unsecured Loans Granted	125.00	-	125.00	-
Interest on Unsecured Loan	3.42	-	3.42	-

44. DISCLOSURE ON LEASES :-

"The Company has taken premises (Office) under operating lease or leave and license agreement. The lease terms in respect of such premises is on basis of individual agreement with the owner."

(In Lacs)

Particulars	31-03-22	31-03-21
Lease Payments Recognised in Statement of Profit and Loss Account	15.125	14.40
TOTAL	15.13	14.40

45. EARNINGS PER SHARE :-

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

(In Lacs, except EPS)

Particulars		2021-22	2020-21
Profit After Taxation	‘	1,491.89	893.36
Weighted Average Number of Equity Shares	Nos.	148.09	148.09
Nominal Value of Shares	‘	1,480.88	1,480.88
Earning Per Share - Basic (Rs.)	‘	10.07	6.03

46. IMPAIRMENT OF ASSETS :-

In absence of any material indications, external or internal, as to any probable impairment of assets, no further provision has been made for same.

47. CRYPTO CURRENCY / VIRTUAL CURRENCY :-

The Company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year.

48. SEGMENT REPORTING:-

With respect to Accounting Standard-17, the Management of the Company is of the view that the products offered by the Company are in the nature of Bulk Drug Intermediates and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the Company

effectively has a single reportable business segment. Hence, segment-wise disclosure of information is not applicable.

49. UNDISCLOSED INCOME :-

There are no transactions which are not recorded in books and have been surrendered or disclosed as income during the year in Income Tax Assessments.

50. INTERESTS IN JOINT VENTURES:-

Name of Joint Ventures Share
Kalichem Private Limited 50.00%

(In Lacs)

Proportional Amount of Interest in Joint Venture		31/03/2022	31/03/2021
Assets			
Property Plant and Equipments and Intangible Assets		116.37	-
Other Non Current Assets		6.25	-
Cash and Cash Equivalents		7.20	-
Short term Loans and Advances		0.20	-
Liabilities			
Long Term Borrowings		128.07	-
Trade Payable		0.15	-
Other Current Liabilities		0.71	-
Short-Term Provisions		0.58	-
Incomes			
		Nil	-
Expenses			
		Nil	-

51. RATIOS: -

Sr. No	Name of Ratio	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.10	4.39	-52.19%
	The Company has taken a Short Term Loan of Rs. 8 Crores at the end of the year which is repayable in one year. This has resulted in the decrease in Ratio					
2	Debt Equity Ratio (in times)	Short Term Borrowings + Long Term borrowings	Total Equity	0.15	0.02	-544.20%
	The Company has taken a Short Term Loan of Rs. 8 Crores at the end of the year. This has resulted in the increase in the Ratio					
3	Debt Service Coverage Ratio (In times)	Earning for Debt Service (PAT + Depreciation + Interest +Other Non Cash Expenses)	Total Debt Service (Interest + Finance Lease Payments + Principal Repayment)	21.42	15.45	38.69%
	There has been increase in Profits for the year resulting in improvement in the Ratio					
4	Return on Equity Ratio (%)	Profit after Tax	Avg Shareholder's Equity	31.20%	24.39%	27.93%
	There has been increase in Profits for the year resulting in improvement in the Ratio					
5	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	8.66	7.18	20.65%
6	Trade Receivables Turnover Ratio (In times)	Net Sales	Average Trade receivables	8.59	8.38	2.41%
7	Trade Payables Turnover Ratio (In times)	Net Purchase	Average Trade Payables	9.64	7.07	36.23%
	The Average Trade Payables reduced as compared to Purchases showing efficient payment cycle leading to improvement in Ratio					
8	Net Capital Turnover Ratio (In times)	Net Sales	Average Working Capital	3.82	2.68	42.41%
	The Net Working Capital reduced due to Short Term Borrowing at Year end resulting in increae in the Ratio					
9	Net Profit Ratio (%)	Profit for the Year	Total Revenue	15.66%	16.75%	-6.52%
10	Return on Capital Employed (%)	PBT + Finance Cost (EBIT)	Capital Employed	31.35%	28.44%	10.25%
11	Return on Investment	Net Profit	Total Assets	18.17%	18.35%	-0.97%

52. IMPACT OF COVID-19 :-

The Covid-19 has been a global pandemic since March, 2020 and India has been affected too. The Central and State Government has taken various initiatives to mitigate the risks including precautionary lockdowns and propaganda and assistances in safety measures. The First Wave in 2020 caused disruption due to impact of lockdowns. While the second wave that hit in the first part of the FY 2021-22 was quite severe in terms of health crisis, the businesses did not have any major impact as the lockdowns and controls were less severe. With the strong vaccination drive in place, the Third Wave in later part of FY 2021-22 did not have any impact at all.

The Company has been successful in riding out the pandemic crisis successfully and yet managed to achieve significant growth. There were no significant impacts due to the pandemic on the carrying amounts of assets. The Company continues to have robust financial controls to mitigate the business risks and at the same time continues to deploy measures to mitigate the health risks.

The Company continues to remain bullish about the future outlook and continues to stay committed to business development. However, given the uncertainty associated with the nature and duration of the pandemic, the impact may be different from that estimated as at the date of approval of these financial statements. But the Company believes that it will be able to continue to manage the situation without impacting the business substantially.

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

**For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)**

**Sd/-
CA Rohit Shah
Partner
Membership No: 034139**

**Place : Vadodara
Date : 20.05.2022**

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

Sd/- Girishkumar Shah Whole-Time Director DIN: 00469291	Sd/- Sanjay Marathe Managing Director DIN: 01316388
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Sd/- Krutarth Parikh CFO	Sd/- Dipika Rajpal CS
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**Place : Vadodara
Date : 20.05.2022**

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Chemcrux Enterprises Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **CHEMCRUX ENTERPRISES LIMITED (the "Company")** and its Joint Venture **Kalichem Private Limited (the Joint Venture)** (the Company and its Joint Venture together referred to as "the Group") which comprises the Consolidated Balance sheet **as at 31st March, 2022**, the Consolidated Statement of Profit & Loss and Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements")

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

Basis for Opinion

We conducted our audit of the Consolidated Financial Statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 52 to the Consolidated Financial Statements which explains the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to COVID-19 pandemic situation.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance, Shareholder's Information and Other Information included in the Company's Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Management and 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group 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 Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

A further description of the auditor's responsibilities for the audit of the financial statements is located in Appendix A. This description forms part of our auditor's report.

Other Matters

Consolidation of Interest in the Joint Venture Kalichem Private Limited has been done under the Proportionate Consolidation Method as prescribed under AS-27 "Accounting for Interests in Joint Ventures".

We did not audit the standalone financial statements of the Joint Venture. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2020 ("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, to the extent applicable.

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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by the law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2022 and taken on record by the Board of Directors of Holding Company and the further based on the Auditors Report of the Joint Venture, we report that none of the directors is disqualified as on 31st March, 2022 from being appointed as a director of the Group in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its joint Venture the operating effectiveness of such controls; refer to our separate report in Annexure – B attached herewith.
- g) With respect to the matter to be included in the Auditors Report u/s. 197(16) of the Act, in our opinion and according to information and explanations given to us the remuneration paid by Holding Company to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V in terms of requisite approvals obtained as mandated therein and is not in excess of the limits specified therein whereas the Joint Venture being a private limited company, the provisions and limits laid down u/s. 197 of the Act read with Schedule V are not applicable to it.
- h) 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 and based on the consideration of the reports of the other auditors on separate financial statements of the joint venture:
 - (i) The Consolidated Financial Statements has disclosed the details of pending litigations and their impact on the Financial Statements in Note 23 of these consolidated financial statements.
 - (ii) There are no long-term contracts for which there were material foreseeable losses for which provision is required
 - (iii) There were no amounts which were required to be transferred to the Investor Protection Fund by the Group.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and Joint Venture Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Dividend declared and paid during the year by the Company is in compliance with S. 123 of the Act. The Joint Venture has not declared and / or paid any dividend during the year.

FOR, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

Sd/-

CA ROHIT SHAH

PARTNER

(M R N : 034139)

UDIN: 22034139AOXVXY7290

Date : 12.08.2022

Place: Vadodara

APPENDIX A TO INDEPENDENT AUDITORS' REPORT

Further description of Auditor's responsibilities for audit of financial statements

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or its Joint Venture's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and / or its Joint Venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

“ANNEXURE – A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirement’s” section of our report of even date for the year ended 31st March 2022 of Chemcrux Enterprises Limited)

- (i) The Independent Auditors Report being a Report on Consolidated Financial Statements, Paragraph (i) to (xx) of the Order are not applicable.
- (ii) There have been no qualifications or adverse remarks by us as the Auditors of the Company in our report / statement on the matters specified in Paragraph 3 & 4 of the Order. Further, as per the information made available to us, the Order was not applicable to the Joint Venture included in the Consolidated Financial Statements.

**FOR, R J SHAH& ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)**

**Date : 12.08.2022
Place: Vadodara**

Sd/-
**CA ROHIT SHAH
PARTNER
(M R N : 034139)
UDIN: 22034139AOXVXY7290**

“ANNEXURE – B” TO THE INDEPENDENT AUDITOR’S 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 31st March, 2022** and its Joint Venture **Kalichem Private Limited** (the “Joint Venture”) (the Company and its Joint Venture together referred to as “the Group”) in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its Joint Venture are respectively responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established 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 Group'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 Group’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 Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Group 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, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

Date : 12.08.2022
Place: Vadodara

Sd/-
CA ROHIT SHAH
PARTNER
(M R N: 034139)
UDIN: 22034139AOXVXY7290

CHEMCRUX ENTERPRISES LIMITED- CONSOLIDATED BALANCESHEET AS AT 31ST MARCH 2022

(In Lacs)

Particulars	Notes	31-03-22
(I) EQUITY AND LIABILITIES		
(1) SHARE HOLDERS FUND		
(a) Share capital	3	1,480.88
(b) Reserves and Surplus	4	3,997.52
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-
(3) NON-CURRENT LIABILITIES		
(a) Long-Term Borrowings	5	64.04
(b) Deferred Tax Liabilities (Net)	6	127.91
(c) Other Long Term Liabilities	7	-
(d) Long-Term Provisions	8	-
(4) CURRENT LIABILITIES		
(a) Short-Term Borrowings	9	801.50
(b) Trade Payables	10	996.11
(c) Other Current Liabilities	11	316.40
(d) Short-Term Provisions	12	491.50
TOTAL		8,275.86
(II) ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property Plant and Equipment & Intangible Assets	13	
(i) Property, Plant & Equipment		2,398.70
(ii) Intangible Assets		0.97
(iii) Capital work-in-progress		-
(iv) Intangible Asset under Development		-
(b) Non-Current Investments	14	72.45
(c) Long-Term Loans and Advances	15	194.37
(d) Other Non-Current Assets	16	137.64
(2) CURRENT ASSETS		
(a) Inventories	17	1,157.17
(b) Trade Receivables	18	1,887.71
(c) Current Investments	19	683.92
(d) Cash and Cash Equivalents	20	1,186.73
(e) Short-Term Loans and Advances	21	529.87
(f) Other Current Assets	22	26.31
TOTAL		8,275.86
Notes forming part of the Financial Statements	1 to 53	

The Notes referred to above form an integral part of the Financial Statement as per our Report of Even Date

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date : 12.08.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291

Sd/-
Krutarth Parikh
CFO

Place : Vadodara
Date : 12.08.2022

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Dipika Rajpal
CS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(In Lacs)

	Particulars	Notes	31-03-22
I	Revenue From Operations	28	9,527.06
II	Other Income	29	99.83
III	Total Income (I + II)		9,626.88
IV	Expenses:		
	Cost of Materials Consumed	30	5,220.18
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(433.15)
	Employee Benefits Expenses	32	631.91
	Financial Costs	33	7.70
	Depreciation and Amortization Expenses		146.47
	Other Expenses	34	2,052.94
	Total Expenses		7,626.06
V	Profit Before Exceptional / Extra Ordinary Items & Tax (III - IV)		2,000.83
	Add: Share of Profit/(Loss) of Joint Venture		-
VI	Exceptional items (Prior Period Expense)		-
VII	Profit before Extraordinary Items & Tax (V - VI)		2,000.83
VIII	Extraordinary Items		
	Less: Prior Year's Income Tax Adjustment		(0.41)
IX	Profit Before Tax (VII - VIII)		2,001.24
X	Tax expense :		
	(1) Current tax		491.50
	(2) Deferred tax		17.85
XI	Profit/(Loss) from Continuing Operations (IX-X)		1,491.89
XII	Profit/(Loss) from Discontinuing Operations		-
XIII	Tax Expense of Discontinuing Operations		-
XIV	Profit/(loss) from Discontinuing Operations (after tax) (XII - XIII)		-
XV	Profit / (Loss) for the Period (XI+XIV)		1,491.89
XVI	Earning per Equity Share:		
	Basic		10.07
	Diluted		10.07
	Notes forming part of the Financial Statements	1 to 53	

The Notes referred to above form an integral part of the Financial Statements as per our Report of Even Date

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date : 12.08.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291

Sd/-
Krutarth Parikh
CFO

Place : Vadodara
Date : 12.08.2022

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Dipika Rajpal
CS

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH, 2022

(In Lacs)

Particulars	31-03-22
A. Cash flow from Operating Activities :	
<i>Net Profit before Tax & Extra Ordinary Items</i>	2,001.24
Adjustment for :	
Depreciation & Write-offs	146.47
Interest & Financial Charges	7.70
Gratuity Non Cash Adjustment for AS 15	8.79
(Profit) / Loss on Sale of Asset	(3.91)
(Profit) / Loss on Sale of units of Mutual Fund	(21.06)
<i>Operating Profit before Working Capital Changes</i>	2,139.22
Adjustments for :	
(Increase)/Decrease in Trade Receivables	(1,556.39)
(Increase)/Decrease in Inventories	(420.15)
(Increase)/Decrease in Loans & Advances	(252.59)
(Increase)/Decrease in Other Current Assets	50.95
(Increase)/Decrease in Other Non-Current Assets	(58.62)
Increase/(Decrease) in Trade Payables	911.19
Increase/(Decrease) in Provisions	191.50
Increase/(Decrease) in Other Current Liabilities	120.42
<i>Cash Generated from Operations</i>	1,125.53
Gratuity Contribution Paid	10.87
Direct Taxes	491.50
<i>Cash Flow before Extra Ordinary Items</i>	623.16
Extra Ordinary Items	
Net Cash Flow from Operating Activities	623.16
B. Cash flow from Investing Activities	
Purchase of Property, Plant & Equipments	(587.01)
Net Proceeds From Sale of Asset	13.19
Purchase of Mutual Fund Units	(423.05)
Sale of Mutual Fund Units	623.01
Investment in Shares	-
Net Cash used in Investment Activities	(373.86)
C. Cash Flow from Financing Activities	
Increase/(Decrease) in Share Capital	-
Increase/(Decrease) in Short Term Borrowings	756.16
Increase/(Decrease) in Long Term Borrowings	16.60
Interest Paid	(7.70)
Dividend Paid	(98.73)
Net Cash used in Financing Activities	666.33
D. Net Increase/(Decrease) in Cash and Cash Equivalents	915.63
Cash and Cash Equivalents (Opening)	271.10
Cash and Cash Equivalents (Closing)	1,186.73

As per our Report of Even Date

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date : 12.08.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291

Sd/-
Krutarth Parikh
CFO

Place : Vadodara
Date : 12.08.2022

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Dipika Rajpal
CS

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ANNEXED THERETO FOR THE YEAR ENDED 31ST MARCH 2022;

1. (a) General Information of the Company :

Chemcrux Enterprises Limited (“the company”) was incorporated in April 1996 to undertake 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 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 & was listed on the SME Exchange on BSE on 28th March, 2017.

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 continues to have robust outlook for the future.

The Company has recently entered into a Joint Venture for manufacturing of certain specialty chemicals and expects the same to be operational by end of the next year adding value to the Company.

The Company has successfully migrated to the Main Board of the BSE from 5th May, 2022, another milestone in the journey.

(b) Basis of Consolidation :

These Consolidated Financial Statements comprising of the financial statement of **M/s. Chemcrux Enterprises Limited** (the “Company”) and its Joint Venture **Kalichmen Private Limited**

The Consolidated Financial Statements have been prepared on the following basis :

- i) Interest in Joint Ventures have been accounted by using the Proportionate Consolidation Method as per Accounting Standard (AS) 27 - “Financial Reporting of Interest in Joint Venture.
- ii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s standalone financial statements.
- iii) The financial statements of the Joint Venture used in consolidation are drawn up to the same reporting date as that of the holding Company i.e., 31st March, 2022

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. Property Plant & Equipments :

- a. Property Plant & Equipments 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 (GST) 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 :

- a. 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.
- b. Finished products are valued at lower of cost or net realizable value and including the excise duty payable on this stock.
- c. 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 are 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 availment 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 Goods and Service 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. GST and Input Tax Credit:

- a. Purchases and Sales are accounted exclusive of GST element and net of recoveries, if any.

- b. A Comprehensive Goods & Services Tax (GST) was introduced w.e.f. 01.07.17, subsuming majority of Indirect Taxes especially Excise Duty and VAT. GST is a destination-based tax and is levied at the point of supply. It is collected on sale of goods and services on behalf of Government and is remitted by way of payment or adjustment of credit on input goods or services.
- c. Accordingly, Purchases & Sales are accounted net of GST. Similarly, other items of expenditure on which credit for GST is available on items or revenue on which GST is chargeable are also accounted net of GST elements.
- d. GST Accounts are created under Balance Sheet Groupings for liability towards GST collected on Sales / Other Revenue and asset towards GST paid on purchases or other expenditure for which credit is available. For Each month / quarter, as applicable, the GST liability is worked out after offsetting the credit available against the GST collected.
- e. The Net GST Account appears in the Balance Sheet as a Liability under Current Liabilities – Statutory Liabilities, if any amount is payable as at the year-end after offsetting the available credit and as an Asset under Loans & Advances - Indirect Taxes Recoverable from Statutory Authorities if credits remain unutilized after adjusting the amount payable.

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 non-current 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 non-current investments.

Non-current 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. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3. SHARE CAPITAL :-

		(In Lacs)
Particulars		31/03/2022
(a)	AUTHORISED	
	150 Lac { p.y. 60 Lac } Equity Shares of `10/- each	1500.00
(b)	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL.	
	148.08 Lac { p.y. 49.36 Lac } Equity Shares of ` 10/- each	1480.88
	(of which 98.72 Lacs Equity Shares of Rs. 10 each issued as fully-paid up Bonus Shares in proportion of 2 Shares for every share held on by utilisation of Share Premium Account and Balance out of the Surplus in Statement of Profit and Loss Account during F.Y. 2021-22)	
	(of which 18.00 Lacs equity shares of Rs.10/- each issued as fully paid-up bonus shares by capitalisation of free reserves during F.Y. 2016-17)	

(c) RECONCILIATION OF NUMBER OF SHARES

Particulars	(Amount -In Lacs)	
	31st March, 2022	
	No. of Shares	Amount `
Balance at the Beginning (Nos.)	49.3628	493.628
Addition / (Reduction)		
Bonus Issue During the Year	98.7256	987.256
Balance at the end (Nos.)	148.09	1,480.88

(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 & SHARES HELD BY PROMOTER.

(In Lacs)

Name of Equity Shareholder	31st March, 2022	
	No. of Shares	% of Holding
Promoter Group		
Girish C Shah	54.00	36.47
Sanjay Y Marathe	54.00	36.47
Other than Promoters		
	-	-

(f) Dividend paid and proposed

The Board of Directors, in its meeting held on 20th May, 2022 have proposed a Final Dividend of 20% i.e Rs. 2/- per equity share for the Financial Year ended 31st March, 2022. The said proposal would result in a cash outflow of Rs. 296.18 Lacs.

The said proposal of Final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

4. RESERVES & SURPLUS :-

(In Lacs)

Particulars	31/03/2022
(a) SECURITIES PREMIUM RESERVE	
Balance as at the beginning of the year	106.88
Add : Securities Premium received during the year	-
Less : Utilisation for Issue of Bonus Shares	106.88
TOTAL (a)	-
(b) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS	
Balance as at the beginning of the year	3,484.74
Add : Profit for the year	1,491.89
Less : Appropriations :	
Utilised for Issuance of Bonus Shares	880.38
Final Dividend (2020-21)	98.73
Final Dividend (2019-20)	-
TOTAL (b)	3,997.52
TOTAL (a+b)	3,997.52

5. LONG TERM BORROWINGS :-

(In Lacs)

Particulars		31/03/2022
(a)	SECURED :	
	Term Loans :	
	From KotaK Mahindra Bank Ltd.	-
	From Kotak Mahindra Prime Ltd (Car Loans)	-
		-
(b)	UNSECURED :	
	From Directors	-
	From Joint Venturer (Mutual Owing of 64.04 Eliminated)	64.04
		64.04
	TOTAL	64.04

Balances of Term Loans from Kotak Mahindra Bank Ltd include :

Term Loans from Kotak Mahindra Bank were secured against all existing and future receivables, current assets and movable property plant and equipments. Rate of Interest is EBLR 4.0% (as per latest sanction) + 3.90% (spread) i.e., 7.90%. The instalments commenced from February 2018 and June 2018 respectively. The Loans were paid off in their entirety during the year.

The above facilities were 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.

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 has been paid @ 12% p.a. only to the Non-Executive Directors. These Loans were paid off in its entirety during the year

The Amount taken as Unsecured Loans from Joint Venturers is long term borrowing primarily for capex of the JV Company. Interest on the same has charged @ 7% p.a. only to the respective joint venturers.

6. DEFERRED TAX LIABILITIES (Net) :-

(In Lacs)

Particulars		31/03/2022
	Deferred Tax Liabilities (difference between accounting and tax depreciation)	127.91
	Net Deferred Tax Liabilities as at the year end	127.91

7. OTHER LONG TERM LIABILITIES :

(In Lacs)

Particulars	31/03/2022
TOTAL	-

8. LONG TERM PROVISIONS :-

(In Lacs)

Particulars	31/03/2022
(a) Provision for Employee Benefits	
Provision for Gratuity (Net)	-
(b) Others	-
TOTAL	-

9. SHORT TERM BORROWINGS :-

(In Lacs)

Particulars	31/03/2022
SECURED :	
From Kotak Mahindra	-
Working Capital* (repayable on demand)	
Short Term Term Loan*	800.00
Current Maturities of Long Term Debts	
- Kotak Mahindra Prime Ltd Car Loan (Instalments due within one year)	1.50
- Kotak Mahindra Prime Ltd, Car Loan (Instalments due within one year)	0.00
	801.50

* - The Company has obtained sanction of Cash Credit Limits of ` . 200 Lacs as well as Short Term Loan of ` 800.00 lacs against First and Exclusive Charges on all existing and future current assets. The Facilities are further secured by way of mortgage of immovable property of the Company as a Collateral as well as personal guarantees of the two directors i.e., Girish Shah and Sanjay Marathe. The applicable Rate of Interest is RPRR 4.0% (as per latest sanction) + 2.90% (spread) i.e., 6.90%.

The Company had fully availed the Short Term Loan and the repayment was due with installments commencing from April, 2022 itself. The Company had not utilised any amount against the Cash Credit Limits as at the end of the year.

Balances of Car Loan from Kotak Mahindra Prime Ltd include :-

The Balance of Car Loan is against purchase of Car which is secured against hypothecation of the same. The Loan is repayable in 60 equated monthly instalments starting from 05th December 2017 with last instalment payable on 05th November 2022. Rate of Int. : 8.64%

10. TRADE PAYABLES :-

		(In Lacs)
Particulars		31/03/2022
	Total Outstanding Dues to Micro Enterprise and Small Enterprise	-
	Total Outstanding Dues to Others	996.11
	TOTAL	996.11

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 Materials and Services 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 Enterprises .

"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 :-

		(In Lacs)
Particulars		31/03/2022
(a)	Interest Accrued but not due on borrowing	0.45
(b)	Interest Accrued and due on borrowings	-
(c)	Incomes Received in Advance	-
(d)	Unpaid Dividends	0.02
(e)	Others Payables :	
	- Creditors for Expenses	163.83
	- Statutory Liabilities	32.30
	- Other Payables	119.79
	- Advances Received from Customers	-
	TOTAL	316.40

12. SHORT TERM PROVISIONS :-

		(In Lacs)
Particulars		31/03/2022
(a)	Provision for Employee Benefits	-
(b)	Provision for Current Taxation	491.50
	TOTAL	491.50

13. PROPERTY PLANT AND EQUIPMENTS & INTANGIBLE ASSETS:-

(In Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION / AMORTAISATION				NET BLOCK
	Balance as on 01/04/2021	Additions during the Year	Deduction / Disposal	Balance as on 31-03-22	Balance as on 01/04/2021	Deductions	Depreciation for the year	Balance as on 31-03-22	As on 31/03/2022
	Property, Plant & Equipment								
Land	201.31	111.37	-	312.68	-	-	-	-	312.68
GIDC Quarter	1.83	-	1.83	-	0.64	0.64	-	-	-
Factory Building	771.53	94.62	-	866.16	77.37	0.03	25.20	102.53	763.62
Office Premises	6.67	-	-	6.67	6.18	(0.03)	0.01	6.22	0.45
Furniture & Fixtures	18.35	13.42	-	31.77	6.59	-	1.79	8.39	23.38
Computer	18.49	1.40	-	19.89	15.36	-	1.66	17.02	2.87
Motor Car	64.35	27.63	23.76	68.22	26.13	15.68	7.51	17.96	50.26
Office Equipment	19.63	3.99	-	23.62	13.43	-	2.43	15.86	7.76
Plant & Machinery	1,430.12	360.99	-	1,791.11	506.99	-	100.98	607.98	1,183.13
Pollution Control System	86.00	-	-	86.00	30.79	-	5.66	36.44	49.55
Intangible Assets									
Computer Software	4.78	-	-	4.78	2.58	-	1.22	3.81	0.97
Goodwill		5.00		5.00					5.00
Total	2,623.06	613.43	25.60	3,210.89	686.07	16.32	146.47	816.22	2,399.67

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 Property Plant & Equipment's 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.

The Company had invested in Office Premised at Gift City Gandhinagar amounting to Rs. 67.16 Lacs. The same has been reclassified during the year to Non-Current Investments as per future plans of the Management for the same. Hence, the same has been shown as a reduction from the head "Office Premises" and presented under Non-Current Investments.

14. NON CURRENT INVESTMENTS :-

(In Lacs)

Particulars		31/03/2022
(a)	Investments in Equity Instruments (At Cost)	
	Unquoted, Trade	
	Joint Venture(JV) Kalichem Private Limited. (5000 Equity Shares of Rs. 10 each fully paid up) (PY - Nil)	-
	(Mutual Investment of Rs 0.50 Lacs Eliminated)	
	Unquoted, Non Trade	
	36703 {P.Y. 36703} Equity Shares of ` 10 each of Narmada Cleartech Ltd (Previously known as Bharuch Eco-Acqua Inf. Ltd)	3.67
	25000 {P.Y. 25000} Equity Shares of ` 10 each of Ankl. Reas. & Analy Infrastructure Ltd.	1.00
	TOTAL (a)	4.67
(b)	Investments in Immoveable Properties (At Cost)	
	Office Premises at Gift City, Gandhinagar	67.78
	TOTAL (b)	67.78
	TOTAL	72.45

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

(In Lacs)

Particulars		31/03/2022
(a)	Capital Advances	131.87
(b)	Security Deposits	-
(c)	Loans to Related Parties (Kalichem Private Limited) (Mutual Owing of 62.50 Lacs Eliminated)	62.50
(d)	Other Loans and Advances (recoverable in cash or kind or for value to be received)	-
	TOTAL	194.37

16. OTHER NON-CURRENT ASSETS :-

(In Lacs)

Particulars		31/03/2022
(a)	Long-term Trade Receivables	-
(b)	Security Deposits	131.29
(b)	Others	
	Fixed Deposits (maturity after 12 Months)	0.10
	Preoperative Exp	6.15
	Preliminary Exp	0.10
	TOTAL	137.64

Security Deposit includes Rs. 2 Lacs (P.Y. Rs 2 Lacs) given towards leased premises to Related Parties.

17. INVENTORIES :-

(In Lacs)

Particulars		31/03/2022
	Raw Materials	417.86
	Work-in-Progress	214.15
	Finished Goods	522.17
	Stores and Spares	3.00
	TOTAL	1,157.17

18. TRADE RECEIVABLES :- (Unsecured, Considered Good)

(In Lacs)

Particulars		31/03/2022
(a)	Outstanding for a period exceeding Six Months	0.83
(b)	Others	1886.88
	TOTAL	1887.71

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

19. CURRENT INVESTMENTS :-

(In Lacs)

Particulars		31/03/2022
(a)	Investment in Mutual Funds (At Cost)	
	Quoted , Non Trade	
	UTI Money Market Fund (28253.083 Units) (P.Y 15002.933 Units)	683.92
	UTI Liquid Cash Plan (Nil Units) (P.Y 15307.86 Units)	0.00
	TOTAL	683.92
	Market Value of Quoted Investments	703.72

20. CASH AND CASH EQUIVALENTS :-

(In Lacs)

Particulars		31/03/2022
(a)	Balances with Banks	1167.48
(b)	Margin Money Deposits (Maturing within 12 Months)	10.68
(c)	Cash on Hand	8.57
TOTAL		1186.73

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

(In Lacs)

Particulars		31/03/2022
	Advance Income Tax and Refunds Receivable	443.82
	Indirect Taxes Recoverable Balance with Revenue Authorities	46.65
	Advances to Staff	17.91
	Other Short Term Loans and Advances (recoverable in cash or kind or for value to be received)	21.49
TOTAL		529.87

22. OTHER CURRENT ASSETS :-

(In Lacs)

Particulars		31/03/2022
	Advance to Suppliers	4.44
	Prepaid Expenses	12.94
	Gratuity Account (Excess of Fair Value of Planned assets over Present Value of Obligations)	8.94
TOTAL		26.31

23. CONTINGENT LIABILITIES AND COMMITMENTS :-

(In Lacs)

Particulars	31/03/2022
Contingent Liabilities	
Claims against the Company not acknowledged as debt	-
Guarantees	-
Other Moneys for which Company is contingently liable*	-
TOTAL	-
Commitments	
Estimated amount of Contracts pending to be executed on capital account (not provided for)	
Uncalled Liability on Shares or Investments Partly Paid	
Other Commitments	
TOTAL	-

(*A complaint has been filed against the Company and its Directors by Gujarat Pollution Control Board. The management is opting for compounding of the same. However, the compounding dues cannot be ascertained at this juncture)

24. The Company has used the borrowing from Banks and Financial Institutions for the specific purpose for which it was taken at the Balance Sheet Date.

25. In the opinion of the Board, all assets which are considered good (other than Property Plant & Equipment's 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.

26. AGEING OF TRADE PAYABLES DUE :

(In Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 Yr	1 - 2 Yrs	2 - 3 Yrs	> 3 Yrs	
(a) MSME	-	-	-	-	-	-
(b) Others	980.81	15.30	-	-	-	996.11
(c) Disputed MSME	-	-	-	-	-	-
(d) Disputed Others	-	-	-	-	-	-
TOTAL	980.81	15.30	-	-	-	996.11

26. AGEING OF TRADE RECEIVABLES:

(In Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 Mths	6 Mts - 1 Yr	1 - 2 Yrs	2 - 3 Yrs	> 3 Yrs	
(a) Undisputed							
Considered Good	1,172.38	714.50	0.20	0.03	0.60	-	1,887.71
Considered Doubtful	-	-	-	-	-	-	-
(b) Disputed							
Considered Good	-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-	-
TOTAL	1,172.38	714.50	0.20	0.03	0.60	-	1,887.71

27. Additional Regulatory Information:

- (i) There are no immovable properties (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company
- (ii) The Company has not revalued its Property, Plant and Equipment
- (iii) The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMPs and Related Parties either severally or jointly with other persons that are repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company did not have any Capital Work-in-Progress as at the end of the year.
- (v) The Company did not have any Intangible Assets under Development as at the end of the year.
- (vi) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder
- (vii) The Company has never been declared as a Willful Defaulter by any bank or financial institution or other lender.
- (viii) The Company had obtained sanction of working capital limits against security of current assets. However these limits were not utilised at any time during the year. Hence, as such there were no actual borrowings against current assets during the year.
- (ix) The Company has entered into following transactions with Struck-off Companies :

Name of Struck Off Company	Nature of Transaction	Outstanding Amount (Rs.)	Relationship
Bluepeter Shipping Pvt. Ltd	Handling Charges for import Payables (Rs. 54,783)	Nil	None
Pratap Logistics Pvt. Ltd.	Freight Octroi and Transport Payables (Rs. 57,200)	Nil	None

- (x) There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period or otherwise.
- (xi) The Company has made a direct investment in Joint Venture during the year which does not have any further downstream investment. Hence, it is in compliance with the number of layers prescribed under Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017
- (xii) There was no Scheme of Arrangements during the year

- (xiii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

28. REVENUE FROM OPERATIONS :-

		(In Lacs)
Particulars		31/03/2022
(a)	Sale of Products	
	- Domestic Sales	5,929.08
	- Export Sales (including Deemed Exports)	2,272.16
	Total Sale of Products	8,201.24
(b)	Other Operating Revenues	
	- Job Work	1,325.81
	Total Operating Revenues	1,325.81
TOTAL		9,527.06

29. OTHER INCOME :-

		(In Lacs)
Particulars		31/03/2022
	Duty Drawback	14.66
	Interest Income	9.14
	Exchange Rate Difference (Net)	22.63
	Gain on Investment in Mutual Fund	21.06
	Rate Differences, Discounts, Write-offs (Net)	3.42
	Sales Tax / VAT Refund Received	-
	MEIS License Benefit	25.00
	Profit on Sale of Assets	3.91
	Other Income	0.00
	Dividend Received	0.00
TOTAL		99.83

Where amount is reflecting Rs. 0.00 (lacs) – the amount is below Rs. 500/-.

30. COST OF MATERIALS CONSUMED :-

(In Lacs)

Particulars	31/03/2022
Opening Stock of Raw Materials	430.85
Add : Purchases (incl. Import Duties)	4,994.49
	5,425.35
Less : Closing Stock of Raw Materials	417.86
Raw Materials Consumed	5,007.49
Stores and Consumables	187.10
Packing Materials	25.59
TOTAL	5,220.18

Material Consumption	31st March 2022	
	Amount (Rs.)	% Consumed
Imported	1,109.83	22.16
Indigenous	3,897.66	77.84
	5,007	100.00

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STORES AND SPARES:

(In Lacs)

Particulars	31/03/2022
Opening Stocks	
Finished Goods	53.20
Work-in-Progress	249.96
Stores and Spares	3.00
	306.16
Closing Stocks	
Finished Goods	522.17
Work-in-Progress	214.15
Stores and Spares	3.00
	739.31
TOTAL	(433.15)

32. EMPLOYEE BENEFIT EXPENSES :-

(In Lacs)

Particulars	31/03/2022
Salaries and Wages	363.89
Provident Fund ,ESI , Bonus and Gratuity	36.22
Directors' Remuneration *	210.00
Staff Welfare	21.81
TOTAL	631.91

* Remuneration for the year includes Rs. 42 lacs (P.Y Rs 42 Lacs for FY 2019-20) towards performance bonus for FY 2020-2021

33. FINANCE COSTS :-

(In Lacs)

Particulars	31/03/2022
Interest on Loans from Banks	4.36
Bank Charges and Other Borrowing Costs	2.95
Other Interest	0.38
TOTAL	7.70

34. OTHER EXPENSES :-

(In Lacs)

Particulars	31/03/2022
(a) Manufacturing \ Direct Expenses	
Freight, Octroi & Transportation	47.21
Repairs & Maintenance	209.26
Power and Fuel	512.47
Effluent Treatment Charges	210.90
Labour Charges	122.27
Other Factory Expenses	354.84
Total (a)	1,456.96
(b) Administrative & Other Expenses	
Audit Fees	2.00
Vehicle Expenses	6.74
CSR Expense	26.37
Donation	0.11
Directors' Sitting Fees	0.82
Insurance Premium	33.08
Legal, Professional, License & Filing Fees	68.97
Office & General Administration Expenses	11.71
Repairs & Maintenance (Shed & Building)	24.14
Security Service Charges	16.76
Travelling Expenses	5.24
Rent, Rates & Taxes	12.67
Environment Compensation Charges	50.00
Total (b)	258.60
(c) Selling & Distribution Expenses	
Custom Clearing Charges for Exports	89.93
Freight Outward	206.66
Sales Commission	26.64
Advertisement Exp	2.01
Total (c)	325.25
(d) Research & Development Expenses	
Legal & Professional Expense	12.14
Total (d)	12.14
TOTAL (a+b+c+d)	2,052.94

35. CORPORATE SOCIAL RESPONSIBILITY :-

(In Lacs)

Particulars	31/03/2022
Gross Amount Required to be spent by the Company during the year (as per the provisions of Section 135 of the Companies Act, 2013 read with rules thereon)	26.25
Amount of Expenditure Incurred	26.37
Shortfall, if any, at the end of the year	-
Total of Previous Years Shortfall	
Reason for Shortfall	NA
Details of Related Party Transactions in CSR	None
Provision Made for CSR and Movements therein	None
Nature of CSR Activities <i>The Company has spent a sum of Rs.26.36 Lacs through contributions made to Registered Trusts / Institutions inter-alia involved in activities specified in Schedule VII of the Companies Act, 2013 and having a established track record of more than 3 years.</i>	

36. C.I. F. VALUE OF IMPORTS :-

(In Lacs)

Particulars	31/03/2022
Raw Materials	1,144.77
TOTAL	1,144.77

37. EXPENDITURE IN FOREIGN CURRENCY :-

(In Lacs)

Particulars	31/03/2022
Travelling Exp	2.42
TOTAL	2.42

38. EARNINGS IN FOREIGN CURRENCY :-

(In Lacs)

Particulars	31/03/2022
Export of Goods on FOB basis	1,203.81
TOTAL	1,203.81

39. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE :-

(In Lacs)

Particulars	31/03/2022
Sundry Creditors	24.72
Sundry Debtors	283.82
TOTAL	308.54

40. DIRECTORS' REMUNERATION :-

Directors' Remuneration paid during the year is within the limits prescribed by Section 197 read with Part II of Schedule V of the Companies Act, 2013. Remuneration paid during the year of Rs. 2,10,00,000/- (P.Y Rs. 2,10,00,000/-) includes Rs. 42,00,000/- (P.Y Rs. 42,00,000/-) being Performance bonus relating to F.Y 2020-21 which when included with regular remuneration of F.Y 2020-21 remains within aforesaid limits. Perquisites of Free Usage of Car are given to the Directors. No contributions are made to PF and they are not considered eligible for Bonus, Gratuity and Leave Encashment.

41. AUDITORS' REMUNERATION:-

			(In Lacs)
Particulars			31/03/2022
As Statutory Auditors			1.25
In Other Capacity			-
TOTAL			1.25

42. 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.

The Company has recognised following amounts as expense in the statement of profit and loss.

			(In Lacs)
Particulars			31/03/2022
Provident Fund			23.40
ESIC			3.03
			26.42

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 ` 2000000. 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.

(In Lacs)

Changes in Present Value of Defined Benefit Obligation	31/03/2022
Present Value of Obligations as at the beginning of the Year	164.60
Interest Cost	11.52
Current Cost	9.05
Benefits Paid	(14.85)
Actuarial (gains) / losses on obligation	0.22
Present Value of Obligations as at the end of the Year	170.55
Change in Fair Value of Plan Assets	31/03/2022
Fair Value of Plan Assets as at the beginning of the Year	171.45
Expected Return on Plan Assets	12.01
Contributions	10.87
Benefits Paid	(14.85)
Actuarial (gains) / losses on Plan Assets	NIL
Fair Value of Plan Assets as at the end of the Year	179.48
Defined Benefit Obligation as recognized in Balance Sheet	31/03/2022
Present Value of Obligations as at the Year end	170.55
Fair Value of Plan Assets as at the Year end	179.48
Net Asset / (Liability) recognized in Balance Sheet	8.94
Net Gratuity Benefit Expenditure Recognised in P&L Account	31/03/2022
Current Service Cost	9.05
Interest Cost	11.52
Expected Return on Plan Assets	(12.01)
Net Actuarial (Gain) / Loss Recognised in the Year	0.22
Net Expense Recognised in Statement of Profit and Loss	8.79
Principal Assumptions Used	31/03/2022
Discount Rate	7.00%
Expected Return on Plan Assets	7.25%
Salary Escalation Rate	7.00%
Major Categories of Plan Assets	
Insurer Managed Funds	100%

43. RELATED PARTY TRANSACTIONS :-

The Company has identified all the related parties having transactions for the 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 and WTD
	Mr. Sanjay Marathe-Managing Director
	Mrs.Sidhdhi Shah-Director (Upto: 22nd December 2021)
	Mrs. Neela Marathe-Director
	Mr Sushilkumar Tripathi - CFO (Upto : 31st July 2021)
	Mr. Krutarth Parikh - CFO (From : 01st August 2021)
	Ms. Dipika Rajpal - CS
Enterprise over which Key Management Personnel have significant influence	
	Dr Prem's Molecules Private Limited
	Kalichem Private Limited

b. Transaction and Balances with Related Parties

(In Lacs)

Name of Related Parties	Transaction during year	Balances as at
	2021-22 (Rs.)	31/03/2022
Key Managerial Person		
Director Remuneration	210.00	32.60
Unsecured Loans Recd/(Paid) (net)	10.55	-
Interest on Unsecured Loan	0.34	-
Remuneration to CFO	4.59	0.38
Remuneration to CS	3.60	0.30
Lease Rent	15.13	-
Lease Deposit	-	2.00
Enterprise over which Key Management have Significant Influence		
Legal & Professional Expense (R&D)	12.14	-
Unsecured Loan Granted	62.50	62.50
Interest on Unsecured Loan (Mutual Owing of `64.21 Lacs Eliminated)	1.71	1.71

44. DISCLOSURE ON LEASES :-

The Company has taken premises (Office) under operating lease or leave and license agreement. The lease terms in respect of such premises is on basis of individual agreement with the owner.

(In Lacs)

Particulars	31/03/2022
Lease Payments Recognised in Statement of Profit and Loss Account	15.13
TOTAL	15.13

45. EARNINGS PER SHARE :-

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

		(In Lacs, except EPS)	
Particulars			2021-22
Profit After Taxation		\`	1,491.89
Weighted Average Number of Equity Shares		Nos.	148.09
Nominal Value of Shares		\`	1,480.88
Earnings Per Share			
Basic (Rs.)		\`	10.07
Diluted (Rs.)		\`	10.07

46. Disclosure Mandate by Schedule III of Companies Act 2013, by way of additional information.

(In Lacs)				
Name of Joint Venture	Net Assets		Share in Profit or Loss	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit or Loss	Amount
Parent				
Chemcrux Enterprises Limited	99.99%	5478.41	100.00%	1491.89
Joint Venture				
Kalichem Private Limited	0.01%	0.50	-	-
Adjustment in Consolidation		(0.50)	-	-
Total	100.00%	5,478.41	100.00%	1,492

47. IMPAIRMENT OF ASSETS :-

In absence of any material indications, external or internal, as to any probable impairment of assets, no further provision has been made for same.

48. CRYPTO CURRENCY / VIRTUAL CURRENCY :-

The Company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year.

49. SEGMENT REPORTING:-

With respect to Accounting Standard-17, the Management of the Company is of the view that the products offered by the Company are in the nature of Bulk Drug Intermediates and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the Company effectively has a single reportable business segment. Hence, segment-wise disclosure of information is not applicable.

50. UNDISCLOSED INCOME :-

There are no transactions which are not recorded in books and have been surrendered or disclosed as income during the year in Income Tax Assessments.

51. RATIOS:-

Sr. No	Name of Ratio	Numerator	Denominator	As at 31st March 2022
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.10
2	Debt Equity Ratio (in times)	Short term Borrowings + Long term borrowings	Total Equity	0.15
3	Debt Service Coverage Ratio (In times)	Earning for Debt Service (PAT + Depreciation + Interest +Other Non Cash Expenses)	Total Debt Service (Interest + Finance Lease Payments + Principal Repayment)	21.15
4	Return on Equity Ratio (%)	Profit after Tax	Average Shareholder's Equity	31.20%
5	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	8.66
6	Trade Receivables Turnover Ratio (In times)	Net Sales	Average Trade receivables	8.59
7	Trade Payables Turnover Ratio (In times)	Net Purchase	Average Trade Payables	9.63
8	Net Capital Turnover Ratio (In times)	Net Sales	Average Working Capital	3.82
9	Net Profit Ratio (%)	Profit for the Year	Total Revenue	15.66%
10	Return on Capital Employed (%)	PBT + Finance Cost (EBIT)	Capital Employed	31.35%
11	Return on Investment	Net Profit	Total Assets	18.03%

52. IMPACT OF COVID-19 :-

The Covid-19 has been a global pandemic since March, 2020 and India has been affect too. The Central and State Government has taken various initiatives to mitigate the risks including precautionary lockdowns and propaganda and assistances in safety measures. The First Wave in 2020 caused disruption due to impact of lockdowns. While the second wave that hit in the first part of the FY 2021-22 was quite severe in terms of health crisis, the businesses did not have any major impact as the lockdowns and controls were less severe. With the strong vaccination drive in place, the Third Wave in later part of FY 2021-22 did not have any impact at all.

The Company has been successful in riding out the pandemic crisis successfully and yet managed to achieve significant growth. There were no significant impacts due to the pandemic on the carrying amounts of assets. The Company continues to have robust financial controls to mitigate the business risks and at the same time continues to deploy measures to mitigate the health risks

The Company continues to remain bullish about the future outlook and continues to stay committed to business development. However, given the uncertainty associated with the nature and duration of the pandemic, the impact may be different from that estimated as at the date of approval of these financial statements. But the Company believes that it will be able to continue to manage the situation without impacting the business substantially.

53. The Company has invested in Joint Venture in current year, hence previous year figures are not available for consolidation.

For R J Shah & Associates
Chartered Accountants
(FRN : 109752 W)

Sd/-
CA Rohit Shah
Partner
Membership No: 034139

Place : Vadodara
Date : 12.08.2022

For & on behalf of the Board
For Chemcrux Enterprises Limited

Sd/-
Girishkumar Shah
Whole-Time Director
DIN: 00469291


Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Krutarth Parikh
CFO

Sd/-
Dipika Rajpal
CS

Place : Vadodara
Date : 12.08.2022

Reg. Off.:

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Racecourse, Vadodara – 390007, Gujarat, India
Phone: +91 265 2988903 / 2984803
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