



CHEMCON
Speciality Chemicals Limited



CIN : L24231GJ1988PLC011652

July 1st 2022

To,
BSE Limited
Listing Compliance & Legal Regulatory
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

To,
National Stock Exchange of India Limited
Listing & Compliance
Exchange Plaza, Bandra-Kurla Complex,
Bandra East, Mumbai 400 051

Stock Code: 543233

Stock Symbol: CHEMCON

Dear Sir/Madam,

Subject: Annual Report of Chemcon Speciality Chemicals Limited (the Company) for the Financial Year 2021-22

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the Financial Year 2021-22 along with the Notice of 33rd Annual General Meeting (AGM) of the Company which is being circulated to the members only through electronic mode.

The Annual Report 2021-22 and the Notice of 33rd AGM will also be made available on the website of the Company at www.cscpl.com/annual-report.php

You are requested to take the above information on record.

Thanking you,
Yours faithfully

For Chemcon Speciality Chemicals Limited

Shahilkumar Kapatel
Company Secretary & Compliance Officer
Membership No. A52211



Corporate Office : 9th Floor, Onyx Business Center, Akshar Chowk, Old Padra Road, Vadodara - 390 020. INDIA Tel.: +91 265 2981195/ 2983754, Fax: +91 265 2983754 Email : info@cscpl.com

Regd. Office : Block No. 355-357, Manjusar - Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara - 391 775. INDIA Tel.: +91 2667 264104

Website: www.cscpl.com

ANNUAL REPORT 2021-22



CHEMCON
Speciality Chemicals Ltd.

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An electronic version of this report is available online at:
<https://www.cscpl.com/annual-report.php>



Scan this QR code to access the soft copy of Annual Report

Chairman's Address to Stakeholders



“Empowering Growth through Chemistry”

At Chemcon, our mission reflects where we see our innovation engine creating growth and opportunity. We aim to set new standards in specialty chemicals with the use of leading technologies and development of innovative solutions.

DEAR STAKEHOLDERS,

I hope that you and your families are safe and well. It gives me great pleasure to address you all as we collectively continue to navigate through the challenges posed by the pandemic. We express our gratitude to all those with whose support India managed to quickly return to the growth path. The collective efforts by the medical fraternity, governments and various organizations have enabled the return to normalcy even as we remain vigilant. As a result, financial year 2021-22 witnessed faster than expected demand recovery. Global and Indian economies recovered with the growth of 6.1% and 8.2% respectively in financial year 2021-22.

We have always aimed at increasing shareholder values through an effective use of the resource potential and by brining strategies into action. The establishment of new sources of business growth, and a maximum return on investment in new projects is the key objective that we drive through as a theme for the next year. This is largely a reflection of the Company's effective management

and the high quality of the decisions made while clearly adhering to the path specified in the long-term strategy.

When a company grows its business while caring for the environment and sharing with the society, it is making its own journey sustainable. In our social interactions, we particularly focus on challenges such as education, skills development and environmental sustainability. Our aim is to improve the living conditions of our employees, their families and the communities in which we operate, ultimately balancing profit, people and planet.

Performance review and Capacity Expansion

In this challenging environment, we have delivered a spirited performance with increase in Revenue from Operations to INR 25,711.11 lacs in FY 2021-22 compared with INR 24,348.72 lacs recorded in the previous year. Profit after Tax (PAT) increased

by 11.3% to INR 6,275.66 lacs against INR 5,639.82 lacs.

We would like to highlight that, we have successfully commenced commercial production in plant P8 and have added a capacity of producing 2400 metric tons of TMCS annually. This expansion of production capacity will result in reduction of imports of TMCS and increase in production of HMDS. We'll continue to source TMCS through imports for existing HMDS production. We aim to attain backward integration to gain better control of the supply chain, reduce dependence on the suppliers and increase business competitiveness while simultaneously focusing on the original business. We have healthy visibility of this chemical and are confident to carry the momentum in the coming financial year 2022-23.

During the financial year 2021-22, out of the total revenue approximately INR 68 crore was derived from sale of CMIC. In the year gone by, global supply chain has disrupted many pharmaceutical MNCs and their overall business momentum. The overall demand for CMIC chemical is strong and we have healthy enquiries for the upcoming year. We have added an additional capacity of 1200 metric tons at P8 facility making us the world's largest CMIC producer with a total capacity of 3000 metric tons per annum.

In addition to this, we have also witnessed a marginal progress in our bromide business where approximately INR 60 crores out of the total revenue were aided by oil well completion chemicals during the financial year 2021-22. The overall onshore oil and gas wells are growing gradually in the drilling and completion fluid's market. We have healthy enquiries for various bromides and expect meaningful contribution of bromide segment in the revenue during the financial year 2022-23.

Commercial production on P9 have been expected to commercialize in Q2 of financial year 2022-23. We will add few existing products and a few new products at P9 unit. On other hand, we're pleased to announce that we have started mechanical construction our P10 at the same location for other pharma intermediate products.

Industry Megatrends

We are now persistently focusing on restoring business growth and expanding product portfolio. India is still a net importer of our key products i.e. HMDS & CMIC and there is ample opportunity for us to become a long-term reliable partner. Post expansion plan, we will be well prepared to seize the upcoming opportunities. We believe that over the years, we have built strong relationship with our customers, who recognise our strengths and proficiencies.

Closing Thoughts

To drive future growth, we will steer our focus and investments towards increasing our production capacities, expansion of product portfolio and digital transformation. We also aim to invest and strengthen the marketing division to enhance the reach and visibility of our products.

I would like to thank our customers, suppliers and other partners for their continued faith in our capabilities and helping us in improving our processes and in evolving into a prestigious organization. I thank my fellow Directors, senior leadership team and stakeholders for their continued support and faith in our vision and helping us to achieve success. We welcome financial year 2022-23 with new aspirations. Stay safe and healthy.

Warm Regards,
Kamalkumar Rajendra Aggarwal
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW AND OUTLOOK

Global economic review

The global economy witnessed erratic trends during the past one year. Economic activity bounced back sharply in the year 2021, post the first COVID-19 wave, supported by pent-up demand and unprecedented policy support. However, two successive waves of COVID-19, persistent labour market challenges and continuing bottlenecks in global supply chains that have led to inflationary pressures, have subdued the prospects of a broad-based economic recovery. The latter part of the financial year also witnessed significant rise in geopolitical tensions followed by sweeping sanctions and logistical challenges.

The outlook is mixed with reopening of economies supporting greater demand coupled with challenges of Eastern Europe conflict having direct and global spill overs through commodity markets. In addition, there is the continued impact of lockdowns with new bottlenecks in global supply chains. Recent International Monetary Fund (IMF) Report projects global growth at 3.6% in the year 2022 and 2023, 0.8% and 0.2% lower than the January forecast, respectively.

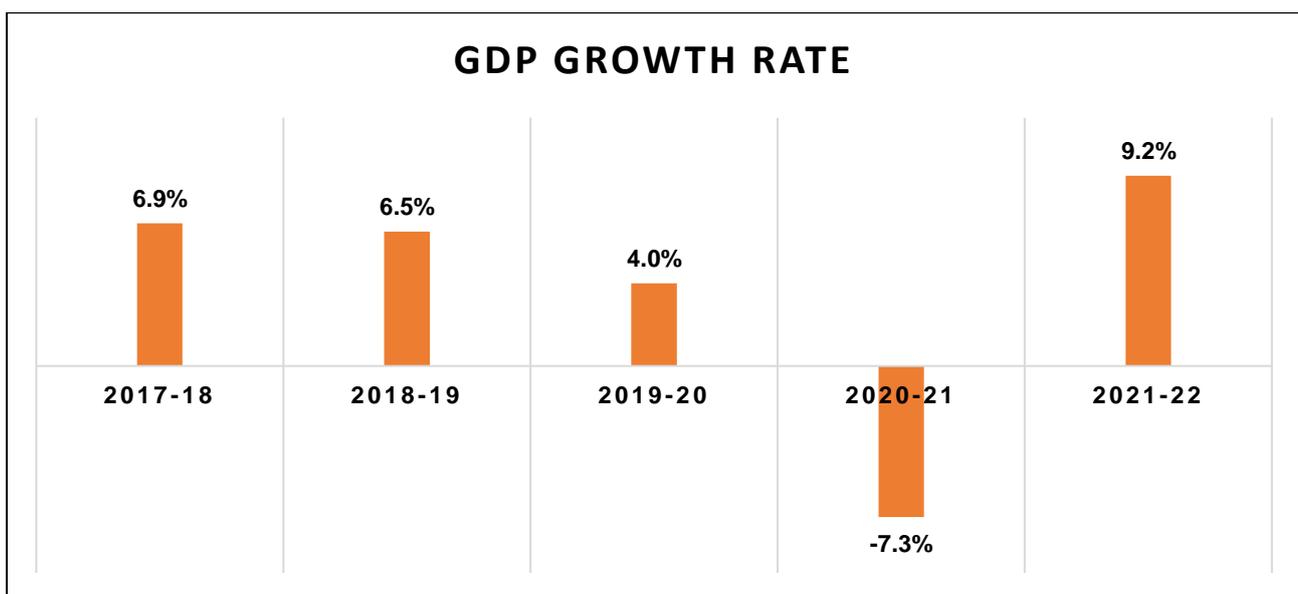
Among the Emerging Market and Developing Economies ('EMDE'), China is expected to grow by 4.4% in calendar year 2022. India is expected to grow at the rate of 8.2% for calendar year 2022 and 6.9% in calendar year 2023.

Source: IMF World Economic Outlook April 2022

Indian economic review

Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

The industrial sector expanded by 22.9 percent in the first half of 2021- 22 compared to the same period in the previous fiscal year, and it is expected to grow by 11.8 percent this fiscal year. The Reserve Bank of India's Monetary Policy Committee (MPC) maintained an accommodative stance in order to achieve economic growth while keeping inflation under control.



Source: https://static.investindia.gov.in/s3fs-public/2022-02/Economic%20Survey%20Complete%20PDF_0.pdf

INDUSTRY OVERVIEW AND OUTLOOK

Pharmaceutical intermediates Chemicals:

Pharmaceutical production needs a large number of specific chemicals that were originally produced by the pharmaceutical industry. However, with the expansion of social labour division and the evolution of production technology, the pharmaceutical industry could transfer the production of required pharmaceutical intermediates to chemical industries. Pharmaceutical intermediates are exquisite chemical products. The production of pharmaceutical intermediates has grown vastly in the international chemical industry. The growing pharmaceuticals industry is driving demand for pharmaceutical intermediates across the world. The pharmaceutical intermediates are produced on demand for bulk and custom productions. The global market of chemicals used as pharmaceutical intermediates was valued at about USD 27 Billion in 2019 and is expected to grow at a CAGR of 4% between 2020 and 2023.

Domestic consumption for chemicals used as pharmaceutical intermediates is dependent upon bulk drugs manufacturing (domestic consumption as well as captive consumption by integrated players). India is expected to witness a HMDS/CMIC demand growth of around 11% CAGR during 2019-2023 fuelled by increase of end use customers and growing population base who desire quality healthcare.

Oil well completion Chemicals:

The global market of Completion Chemicals is growing rapidly due to increased oil & gas exploration activities across the world. The segment is expected to register a CAGR of 5.5% from 2019 to 2023. based on factors such as continuous development of offshore reserves and rising deep water production.

With capital expenditure in oil production across the world expected to recover to 2014 levels by 2023, Chemcon, the leading manufacturer of Bromides in India, will have ample opportunity to cater to the global demand of Bromides by focussing on developing export markets and robust distribution channels.

COMPANY OVERVIEW

Chemcon Speciality Chemicals Limited ("the Company") is a Public limited company incorporated

and domiciled in India. Its shares are listed on BSE Limited (BSE) and National Stock Exchange in India Limited (NSE). The Company is ISO 9001:2015 and ISO 14001:2015 Certified.

The Company is in production of pharmaceutical intermediates and Oil well completion Chemicals (Completion Fluids). The company is leading manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry and inorganic bromides, predominantly used as completion fluids in the oilfield industry.

The Company is only manufacturer of HMDS in India and are the third largest manufacturer of HMDS worldwide in terms of production. The Company is the largest manufacturer of CMIC in India and worldwide, in terms of production and capacity. Further, The Company is only manufacturer of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production.

OPERATIONAL AND FINANCIAL OVERVIEW

The Company's manufacturing Plant are located at Manjusar, Vadodara in Gujarat. The Company has eight individual operational plants, along with six warehouses for storage of our products and raw materials. The Company has in-house laboratory to test raw materials procured and the products at various stages of the manufacturing process and for research and development of new product.

The Company has successfully initiated production of CMIC and TMCS at P8 facility at Manjusar. As a result, the Company has added the production capacity of 2,400 MTPA of TMCS and 1,200 MTPA of CMIC. The Company is now the largest manufacturer of CMIC in the world with a total capacity of 3,000 MTPA. The Company has started mechanical construction of two more plants at the same location for other pharmaceutical intermediate products which are expected to commence in next financial year.

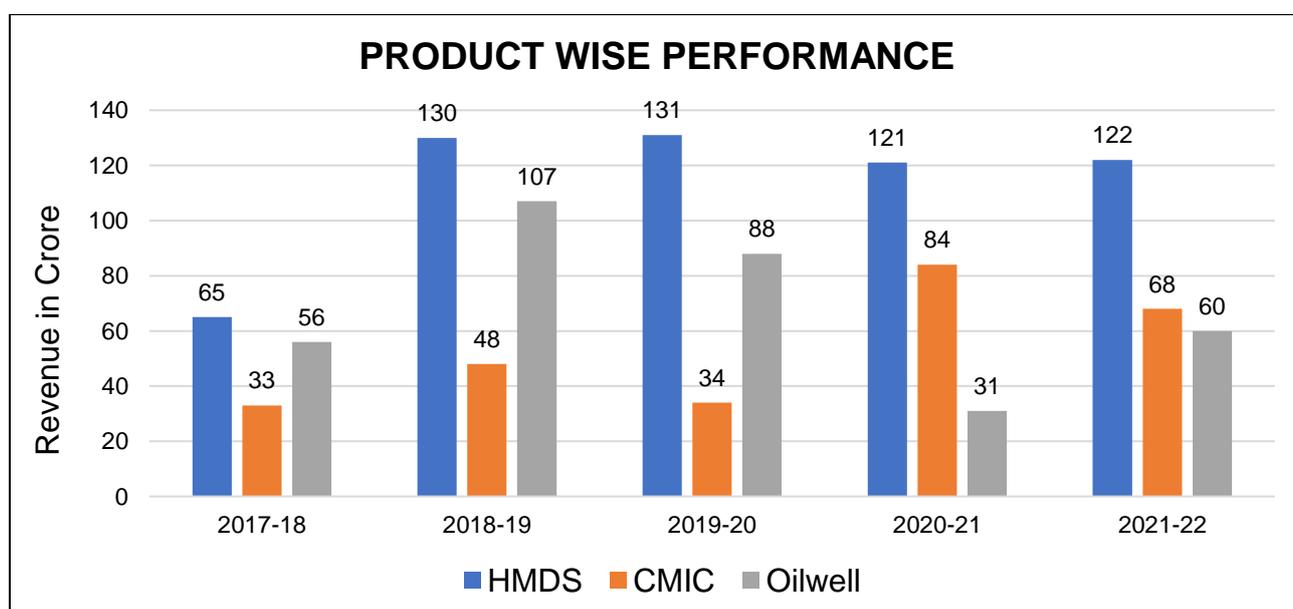
We have a track record of operations of over two decades and have a strong balance sheet with stable cash flows. We have experienced sustained growth in various financial indicators, including our revenue and PAT. We have also seen consistent improvement in our balance sheet position in the last three fiscals, wherein we have witnessed an increase in our net worth.

The table below sets forth some of the key financial indicators for the FY 2021-22 and FY 2020-21 YoY basis:

(INR in Crore)

Particulars	FY 2021-22	FY 2020-21	Growth Y-o-Y
Revenue from Operations	257.1	243.5	5.6%
Cost of Goods Sold	124.4	122.9	
Employee Cost	19.1	15.9	
Other Expenses	32.0	23.6	
EBITDA	81.6	81.1	0.6%
EBITDA Margin %	31.7%	33.3%	
Other Income	9.2	4.6	
Depreciation	6.3	6.1	
EBIT	84.6	79.7	6.1%
EBIT Margin %	32.91%	32.73%	
Finance Cost	0.6	3.6	
Profit Before Tax	84.0	76.1	
Tax	21.2	19.7	
PAT	62.8	56.4	11.3%
PAT Margin %	24.4%	23.2%	
Basic EPS (In INR)	17.13	16.48	

The Company's revenue grew by 5.6% to INR 257.1 crore aided by improvement in volume & realisation. Despite challenges due to raw material price volatility and the global supply chain, the Company's EBITDA grew from INR 81.1 crore to INR 81.6 crore, an increase of 0.6% on YoY basis. Profit after Tax (PAT) increased by 11.3% to INR 62.8 crore against INR 56.4, an increase of 11.3% on YoY basis.



KEY FINANCIAL RATIOS:

Sr. No.	Particulars	FY 2021-22	FY 2020-21	% of Variance	Reason for Variance if above 25%
1	Debtors Turnover Ratio (times)	2.60	2.65	-1.69%	No Significant Changes
2	Inventory Turnover Ratio (times)	5.33	4.25	25.44%	Increase is primarily on account of reduction in Inventory and due to provision for Non-moving items as at March 31, 2022
3	Debt service coverage Ratio (times)	17.62	4.45	296.17%	Increase is primarily on account of lower outstanding borrowing due to prepayment of term loans in financial year 2020-21
4	Current Ratio (times)	4.84	7.08	-31.55%	Decrease is primarily on account of higher outstanding advances taken from Customers for supply of Goods and utilisation of Overdraft facility in financial year 2021-22
5	Debt Equity Ratio (times)	0.09	0.01	520.58%	Increase is primarily on account of utilisation of Overdraft facility in financial year 2021-22
6	Operating Profit Margin (%) (EBIT)	32.91%	32.73%	0.18%	No Significant Changes
7	Net Profit Margin (%) (PAT)	24.44%	23.19%	1.26%	No Significant Changes
8	Return on Net Worth (%)	15.04%	15.95%	0.90%	No Significant Changes

HUMAN RESOURCES

FY 2021-22 saw a continued impact of COVID-19 on the work, family and social life of the employees. Safety, health & well-being of employees, their families and the community around us remained an immediate concern of the Company. Employee connects & communication attained high importance.

The Company believes that employees are the foundation for the superstructure of any corporate organisation. The Company considers its employees as its most significant asset and provides them with a healthy and competitive work environment to excel and set new standards of quality, productivity, efficiency and customer satisfaction.

The details of number of employees as on March 31, 2022, are provided in Business Responsibility Report which is annexed with the Directors' Report.

INTERNAL CONTROL SYSTEM

The Company has in place adequate internal financial controls over financial reporting. It has adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information

The internal control system is supported by qualified personnel and a continuous programme of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements.

KEY RISK AND CONCERNS

Risk management is a holistic, integrated, structured and disciplined approach to managing risks with the objective of maximizing shareholder's value. It aligns strategy, processes, people & culture, technology and governance with the purpose of evaluating and managing the uncertainties faced by the organization while creating value. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

Chemcon has formulated an appropriate policy and established a risk management framework, the objectives of which are:

- Embedding the management of risk as an integral part of the business processes
- Establishing an effective system of risk identification, analysis, evaluation and treatment within all areas and levels of the Company
- Avoiding exposure to significant financial loss
- Contributing to the achievement of the Company's objectives; and
- Accessing the benefits and cost of implementation of available options and controls to manage risk

The Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

Market Risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable

parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables and loans and advances.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

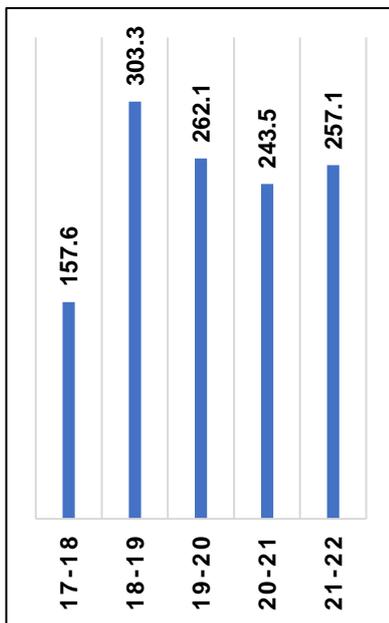
SWOT ANALYSIS



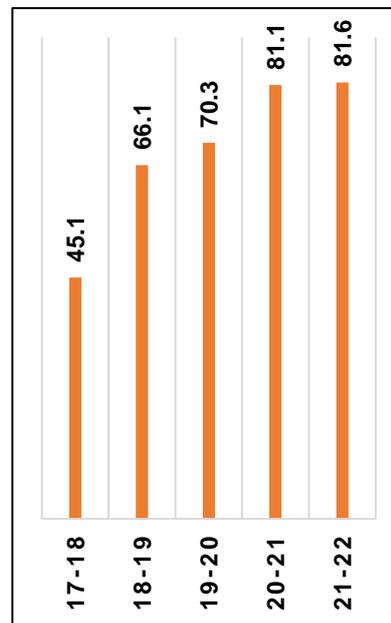
CAUTIONARY STATEMENT: Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations may be "forward- looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

FINANCIAL TRENDS

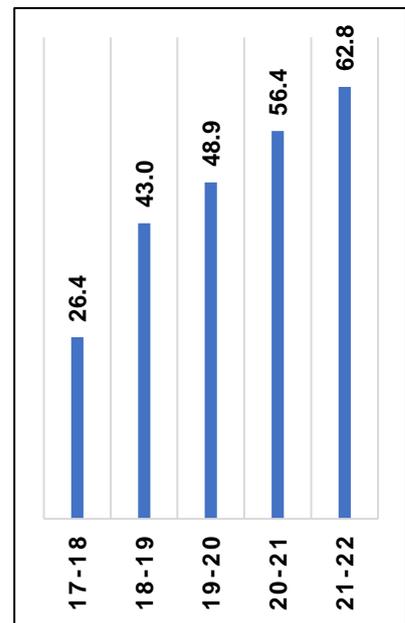
Total Revenue (in Crore)



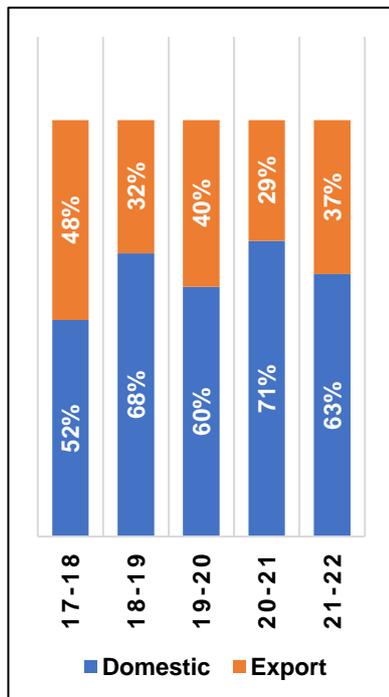
EBITDA (in Crore)



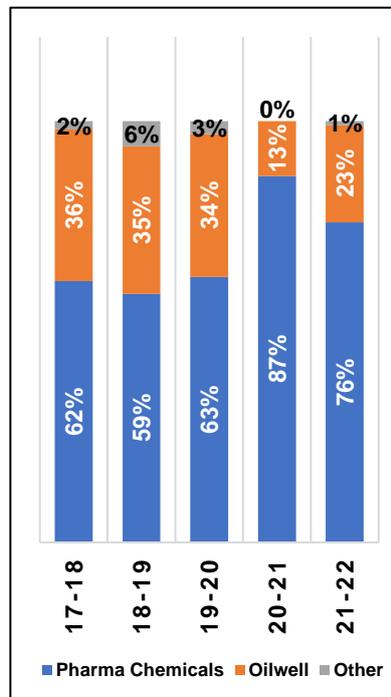
PAT (in Crore)



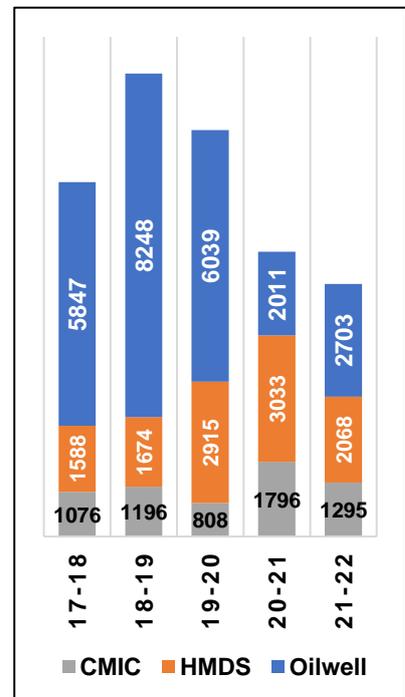
Geographic-Wise (%)



Business-wise (%)



Production Volume (MT)



BOARD OF DIRECTORS



Kamalkumar Rajendra Aggarwal

Chairman and Managing Director

Experience: 26 Years

Member of the Board Since: January 19, 2004

Holds Diploma in Petrochemical Technology (Plastic Technology) from Maharaja Sayajirao University of Baroda, Gujarat



Navdeep Naresh Goyal

Deputy Managing Director

Experience: 11 Years

Member of the Board Since: April 01, 2015

Currently associated with Super Industrial Lining Private Limited in the capacity of Director (Operations)



Rajesh Chimanlal Gandhi

Whole-time Director and Chief Financial Officer

Experience: 23 Years

Member of the Board Since: May 01, 2012

Holds a bachelor's degree in Commerce from Gujarat University



Himanshu Prafulchandra Purohit

Whole-time Director

Experience: 23 Years

Member of the Board Since: May 01, 2012

Holds a Master's degree in Science in Inorganic Chemistry from Sardar Patel University, Gujarat



Rajveer Kamal Aggarwal

Whole-time Director

Experience: 6 Years

Member of the Board Since: October, 2017

Holds a Bachelor's degree in Chemical Engineering from Gujarat Technological University, Gujarat



Lalit Devidutt Chaudhary

Independent Director

Experience: 21 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Commerce from Sardar Patel University, Gujarat. He has been associated with Chaudhary Crains Private Limited as a director since 1993



Neelu Atulkumar Shah

Independent Director

Experience: 6 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Science from Kanpur University, UP and a Master's degree in business administration from the Jiwaji University, Gwalior.



Bharat Chunilal Shah

Independent Director

Experience: 38 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Science from Maharaja Sayajirao University of Baroda, Gujarat. In the past, he has been associated with Bank of Baroda in various roles



Samir Chandrakant Patel

Independent Director

Experience: 31 Years

Member of the Board Since: April 29, 2019

Holds a Master's degree in Science from Sardar Patel University, Gujarat.

He has been associated with Samir Tech - Chem Private Limited as a Director



Pradeep Vishambhar Agrawal

Independent Director

Experience:

Member of the Board Since: April, 2022

Qualified as Chartered Accountant and Company Secretary

He is a Managing Director in a pharmaceutical company and is in the Board of various other companies

CORPORATE INFORMATION

Board Of Directors

Kamalkumar Rajendra Aggarwal

Chairman & Managing Director

Navdeep Naresh Goyal

Deputy Managing Director

Rajesh Chimanlal Gandhi

Whole-time Director cum Chief Financial Officer

Rajveer Kamal Aggarwal

Whole-time Director

Himanshu Prafulchandra Purohit

Whole-time Director

Samir Chandrakant Patel

Independent Director

Lalit Devidutt Chaudhary

Independent Director

Bharat Chunilal Shah

Independent Director

Neelu Atulkumar Shah

Independent Director

Pradeep Vishambhar Agrawal

Independent Director

Company Secretary & Compliance Officer

Shahilkumar Maheshbhai Kapatel

Registered office

Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka - Savli, Dist. Vadodara - 391 775, Gujarat, India

Statutory Auditors

M/s. K C Mehta & Co.

Chartered Accountants

Secretarial Auditors

M/s. Kuldeep Bengani & Associates LLP

Practicing Company Secretaries

Banker

HDFC Bank Ltd.

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.

C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083

Committees of Board

Audit Committee

Bharat Chunilal Shah

Chairman

Kamalkumar Rajendra Aggarwal

Member

Samir Chandrakant Patel

Member

Neelu Atulkumar Shah

Member

Stakeholder Relationship Committee

Bharat Chunilal Shah

Chairman

Rajesh Chimanlal Gandhi

Member

Lalit Devidutt Chaudhary

Member

Nomination and Remuneration Committee

Lalit Devidutt Chaudhary

Chairman

Neelu Atulkumar Shah

Member

Bharat Chunilal Shah

Member

Corporate Social Responsibility Committee

Navdeep Naresh Goyal

Chairman

Bharat Chunilal Shah

Member

Pradeep Vishambhar Agrawal

Member

Risk Management Committee

Samir Chandrakant Patel

Chairman

Rajesh Chimanlal Gandhi

Member

Himanshu Prafulchandra Purohit

Member

NOTICE



CHEMCON SPECIALITY CHEMICALS LIMITED

CIN: L24231GJ1988PLC011652

Registered office: Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara – 391 775, Gujarat
Tel. +91 265 2981195 / 2983754 | Email: investor.relations@cscpl.com | Website: www.cscpl.com

Notice of 33rd Annual General Meeting

NOTICE is hereby given that the Thirty-third Annual General Meeting (AGM) of the members of Chemcon Speciality Chemicals Limited (the Company) will be held on Tuesday, July 26, 2022, at 11.30 am (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of Directors and the Auditors thereon;
2. To appoint a director in place of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2023.**

*To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of INR 65,000/- (INR Sixty-Five Thousand Only) plus XBRL conversion charges, reimbursement of out-of-pocket expenses as per actuals and applicable government taxes/levies, payable to M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the

Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters, things and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

4. **Appointment of Mr. Pradeep Vishambhar Agrawal (DIN: 00048699) as a Director and as an Independent Director:**

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

“RESOLVED THAT Mr. Pradeep Vishambhar Agrawal (DIN: 00048699), who was appointed as an Additional Director (Non-executive and Independent) of the Company with effect from April 28, 2022 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other

applicable provisions, if any, of the Act read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, Regulation 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Pradeep Vishambhar Agrawal as an independent director, who meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an independent director, be and is hereby approved for a term of five years, w.e.f. April 28, 2022, and who would not be liable to retire by rotation."

5. Re-appointment of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) as a Managing Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) as a Managing Director of the Company, whose office will not be liable to determination by retirement by rotation, for a period of 3 (Three) years with effect from 1st May 2022, as per the terms and conditions of remuneration as mentioned in the resolution below.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of such remuneration as detailed herein below, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations:

a) Basic Salary:

The Basic Salary of Mr. Kamalkumar Rajendra Aggarwal shall be ₹ 4 Lakhs per month during his tenure as the Managing Director of the Company.

b) Variable Pay linked to profit:

Mr. Kamalkumar Rajendra Aggarwal for every financial year shall be paid Variable Pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year during his tenure as the Managing Director of the Company.

c) Reimbursement of expenses:

Expenses incurred by Mr. Kamalkumar Rajendra Aggarwal for and on behalf of the company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT where in any financial year during the tenure of the said Managing Director, the Company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits

prescribed under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable to give effect to this resolution.”

6. Re-appointment of Mr. Navdeep Naresh Goyal (DIN: 02604876) as a Deputy Managing Director:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Navdeep Naresh Goyal (DIN: 02604876), as Managing Director (designated as Deputy Managing Director), whose office will be liable to determination by retirement by rotation, for a period of 3 (Three) years with effect from 1st May 2022, as per the terms and conditions of remuneration as mentioned in the resolution below.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made

thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of such remuneration as detailed herein below, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations:

a) Basic Salary:

The Basic Salary of Mr. Navdeep Naresh Goyal shall be ₹ 6 lakhs per month during his tenure as the Deputy Managing Director of the Company.

b) Variable Pay linked to profit:

Mr. Navdeep Naresh Goyal for every financial year shall be paid Variable Pay upto 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year, during his tenure as the Deputy Managing Director of the Company

c) Reimbursement of expenses:

Expenses incurred by Mr. Navdeep Naresh Goyal for and on behalf of the company including his travelling, boarding, lodging, communication expense shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Navdeep Naresh Goyal, the Company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the

aforesaid terms and remuneration, however, within the limit as approved by the members.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable to give effect to this resolution.”

7. Re-appointment of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), as Whole-time Director, whose office will be liable to determination by retirement by rotation, for a period of 3 (Three) years with effect from 1st May 2022, as per the terms and conditions of remuneration as mentioned in the resolution below.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted

from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of such remuneration as detailed herein below, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act:

a) Basic Salary:

The Basic Salary of Mr. Rajesh Chimanlal Gandhi shall be ₹ 2.6 lakhs per month during his tenure as the Wholetime Director of the Company.

b) Perquisites and Allowances:

Contribution to Provident fund, Superannuation fund and payment of Gratuity as per the rules of the Company.

c) Reimbursement of expenses:

Expenses incurred by Mr. Rajesh Chimanlal Gandhi for and on behalf of the company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Rajesh Chimanlal Gandhi, the Company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable to give effect to this resolution.”

8. Re-appointment of Mr. Rajveer Kamal Aggarwal (DIN: 07883896) as a Whole-time Director:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Rajveer Kamal Aggarwal (DIN: 07883896) as Whole-time Director, whose office will be liable to determination by retirement by rotation, for a period of 3 (Three) years with effect from 1st May 2022, as per the terms and conditions of remuneration as mentioned in the resolution below.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of such remuneration as detailed herein below, notwithstanding that such remuneration may exceed the limits prescribed under Section

197 and Schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations.

a) Basic Salary:

The Basic Salary of Mr. Rajveer Kamal Aggarwal shall be ₹ 2 lakhs per month during his tenure as the Wholetime Director of the Company.

b) Reimbursement of expenses:

Expenses incurred by Mr. Rajveer Kamal Aggarwal for and on behalf of the company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Rajveer Kamal Aggarwal, the Company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable to give effect to this resolution.”

9. Re-appointment of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as a Whole-time Director:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any

statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Himanshu Prafulchandra Purohit (DIN: 03296807), as Whole-time Director, whose office will be liable to determination by retirement by rotation, for a period of 3 (Three) years with effect from 1st May 2022, as per the terms and conditions of remuneration as mentioned in the resolution below.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the said Act (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), SEBI (LODR) Regulations, 2015 and subject to such approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of such remuneration as detailed herein below, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act:

Registered Office:

Block No. 355, Manjusar-Kunpad Road,
Village: Manjusar, Taluka: Savli,
Dist.: Vadodara – 391 775, Gujarat

Place: Vadodara

Date: June 28, 2022

a) Basic Salary:

The Basic Salary of Mr. Himanshu Prafulchandra Purohit shall be ₹ 2.6 lakhs per month during his tenure as the Wholetime Director of the Company.

b) Perquisites and Allowances:

Contribution to Provident fund, Superannuation fund and payment of Gratuity as per the rules of the Company.

c) Reimbursement of expenses:

Expenses incurred by Mr. Himanshu Prafulchandra Purohit for and on behalf of the company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Himanshu Prafulchandra Purohit, the Company has no profits or profits are inadequate, the aforesaid remuneration shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits prescribed under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration, however, within the limit as approved by the members.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable to give effect to this resolution.

By Order of the Board
For Chemcon Speciality Chemicals Limited

Shahilkumar Kapatel
Company Secretary & Compliance Officer
M. No.: A52211

NOTES:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs has vide its General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') permitted to hold the Annual General Meeting (AGM) through Video Conferencing (VC) facility / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the MCA Circulars, the 33rd Annual General Meeting of the Company is being held through VC/OAVM facility. The deemed venue of the proceedings of the 33rd AGM shall be the Registered Office of the Company at Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara – 391 775, Gujarat.
2. The Explanatory Statement pursuant to Section 102 of the Act setting out the material concerning the business under item nos. 3 to 9 of the Notice and the details as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.
3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. 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 this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate/ Institutional Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution / Authority Letter to the Scrutiniser by email at kuldeepkcc@gmail.com with a copy marked to investor.relations@cscpl.com or upload on the VC portal / e-voting portal by clicking on Upload Board Resolution / Authority Letter displayed under e-Voting tab in their login.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. In terms of the MCA Circulars and SEBI Circulars, the Notice of the 33rd AGM along with the Annual Report for financial year 2021-22 are being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. The Company shall send the physical copy of the Annual Report 2021-22 only to those Member who specifically request for the same at investor.relations@cscpl.com mentioning their Folio No./DP ID and Client ID, full name, PAN, number of shares held and address. The Notice convening the AGM and the Annual Report 2021-

22 have been uploaded on the website of the Company at www.cscpl.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.

9. The Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 33rd AGM and the Annual Report 2021-22 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
 - a. For Members holding shares in physical form - please send scan copy of a signed request letter mentioning your name, folio number, complete address, email address to be registered along with scanned share certificate (front and back), self- attested scanned copy of the PAN and self-attested scanned copy of address proof, by email to the Company's email address at: investor.relations@cscpl.com.
 - b. For the Members holding shares in demat form: please update your email address through your respective Depository Participant/s.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available electronically for inspection by the Members during the AGM. All documents referred to in this Notice will also be available for electronic inspection by the members from the date of circulation of this Notice up to the date of 33rd AGM, i.e., Tuesday, July 26, 2022, without any fee. Members seeking to inspect such documents can send an email to investor.relations@cscpl.com by mentioning their Name and Folio Number / DP ID and Client ID.
11. **Book Closure and Cut-off Date/Record date:** Tuesday, July 19, 2022, would be the cut-off date for the purpose of reckoning the members /

beneficial owners entitled to e-vote and attend the AGM through VC/OAVM. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the said cut- off date. Further, there is no closure of Register of Members and Share Transfer Book of the Company.

12. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Wednesday, June 29, 2022, have been considered for the purpose of sending the AGM Notice and the Annual Report. However, those persons who become members subsequently may join the meeting and also cast their vote by following the process provided in this notice.
13. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Also, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Accordingly, members holding shares of the Company in physical form are requested to get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.
14. SEBI has, vide its Circulars dated November 3, 2021, and December 14, 2021, mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1, the format of which is available on the Company's website at www.cscpl.com. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.
15. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-

division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at www.cscpl.com. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or Form SH-14, as the case may be. The said forms can be downloaded from the Company's website at www.cscpl.com. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the Registrar at vadodara@linkintime.co.in, in case the shares are held in physical form, quoting their folio no.

18. Remote e-Voting before / during the AGM:

- a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-

Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- b. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, July 19, 2022, may cast their vote by remote e-Voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before/during the AGM. Any non-individual Shareholder or Shareholder holding securities in physical mode who acquires shares of the Company and becomes a Member of the Company after the despatch of the Notice and holding shares as on the cut-off date may follow the login process as mentioned in this notice.
- c. The remote e-voting period commences on Saturday, July 23, 2022, at 10:00 am and ends on Monday, July 25, 2022, at 05:00 pm. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, July 19, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- d. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be

entitled to cast their vote on such resolution(s) again.

- e. The remote e-Voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.
- f. The Company has appointed Mr. Kuldeep Bengani, Practicing Company Secretary and Designated Partner, Kuldeep Bengani & Associates LLP, Company Secretaries as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
- g. The Voting Results shall be declared within 48 hours after the conclusion of the Annual General Meeting. The results declared along with the Scrutiniser's Report shall be placed

on the Company's website: www.cscpl.com and on the website of CDSL: www.evotingindia.com and the same shall also be communicated to BSE and NSE, where the shares of the Company are listed.

- h. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e., Tuesday, July 26, 2022.
- i. In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

19. Instructions for Shareholders for e-Voting:

A. Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode:

Pursuant to abovesaid SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ul style="list-style-type: none"> a. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.

	<p>c. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>d. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>a. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>b. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>c. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

B. Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode:

- a. Login method for e-Voting and joining virtual meetings for Physical shareholders and non-individual shareholders holding in Demat form.
 - i. The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii. Click on “Shareholders” module.
 - iii. Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv. Next enter the Image Verification as displayed and Click on Login.
 - v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - vi. If you are a first-time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- b. After entering these details appropriately, click on “SUBMIT” tab.
- c. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- d. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- e. Click on the EVSN of Chemcon Speciality Chemicals Limited.
- f. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- g. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- h. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- i. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- j. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- k. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- l. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - v. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - vi. Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at kuldeepkcc@gmail.com with a copy to the Company at investor.relations@cscpl.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

20. Instructions for Shareholders attending the AGM Through VC/OAVM and e-Voting the AGM:

- a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c. Members may join the AGM through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops 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 glitches.
- d. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to the Company's email address at investor.relations@cscpl.com before July 19, 2022, 5:00 pm. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
- e. Members who would like to express their views/ ask questions at the Meeting may pre-register themselves as a speaker by sending a request in advance atleast 7 days prior to meeting from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN and mobile number at investor.relations@cscpl.com. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- f. Only those members, who are 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 available during the AGM.
- g. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members may be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

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

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

Registered Office:

Block No. 355, Manjusar-Kunpad Road,
Village: Manjusar, Taluka: Savli,
Dist.: Vadodara – 391 775, Gujarat

Place: Vadodara
Date: June 28, 2022

By Order of the Board
For Chemcon Speciality Chemicals Limited

Shahilkumar Kapatel
Company Secretary & Compliance Officer
M. No.: A52211

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 3 to 9 of the accompanying Notice dated June 28, 2022.

Item No. 3:

In accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the re-appointment of M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341), Vadodara, as the Cost Auditor of the Company for the Financial Year ending March 31, 2023, at a remuneration of INR 65,000 (INR Sixty-Five Thousand Only) plus XBRL conversion charges, reimbursement of out-of-pocket expenses as per actual and applicable government taxes/levies.

In terms of the provisions of Section 148(3) of Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by members of the Company.

Accordingly, members are requested to consider and ratify the remuneration payable to Cost Auditors for the year 2022-23 as set out in the resolution for the aforesaid services.

The Board recommends the resolution set out in item no. 3 of this Notice for the approval of the members of the Company by way of an Ordinary Resolution.

None of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 3 of the Notice.

Item No. 4:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, appointed Mr. Pradeep Vishambhar Agrawal as Additional Director (Non-executive and Independent)

of the Company who holds office upto the date of this Annual General Meeting. Further, Mr. Pradeep Vishambhar Agrawal was appointed as Independent Director for a term of five years commencing from April 28, 2022.

Pursuant to Regulation 17 and Regulation 25 of the Listing Regulations, the appointment of an independent director shall be approved by the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier by way of a special resolution. Accordingly, shareholder's approval by way of a special resolution is sought for appointment of Mr. Pradeep Vishambhar Agrawal as an Independent Director for a term of five years commencing from April 28, 2022.

Further, Mr. Pradeep Vishambhar Agrawal is eligible for appointment as Independent Director and the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Independent Director. Pursuant to section 149, 150, 152 and Schedule IV of the Act, shareholder's approval by way of special resolution is sought for appointment of Mr. Pradeep Vishambhar Agrawal, as an Independent Director on the Board of the Company who shall not be liable to retire by rotation.

Mr. Pradeep Vishambhar Agrawal is a Chartered Accountant and a Company Secretary. His fields of specialisations are Finance, Business, Administration and social activities. In the opinion of the Board, Mr. Pradeep Vishambhar Agrawal is independent of the management and meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and has submitted a declaration to that effect. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. The terms and conditions of his appointment is open for inspection at the registered

office of the company by any member during normal business hours and is also posted on the company's website. A brief profile and other information as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out in item no. 4 of this Notice for the approval of the members of the Company by way of a Special Resolution.

Except Mr. Pradeep Vishambhar Agrawal and/or his relatives, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 4 of the Notice.

Item No. 5:

Members at the 30th Annual General Meeting of the Company held on June 14, 2019, approved the change in designation of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) and appointed him as a Managing Director of the Company for a period of three years with effect from May 1, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the re-appointment of Mr. Kamalkumar Rajendra Aggarwal as a Managing Director for a period of 3 (Three) years with effect from May 1, 2022, subject to approval of the members. Also, pursuant to Regulation 17(1C) of SEBI (Listing Obligations &

Disclosure Requirements) Regulations, 2015, appointment of any person on the Board of Directors shall be approved by the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, shareholder's approval is sought for re-appointment of Mr. Kamalkumar Rajendra Aggarwal as a Managing Director of the Company for a period of three years with effect from May 1, 2022.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the remuneration payable to Mr. Kamalkumar Rajendra Aggarwal, subject to approval of the members. While the Company's operations are profitable, the managerial remuneration proposed to be paid to Mr. Kamalkumar Rajendra Aggarwal and the overall managerial remuneration including remuneration proposed to be paid to Mr. Kamalkumar Rajendra Aggarwal, Mr. Rajesh Chimanlal Gandhi, Mr. Navdeep Naresh Goyal, Mr. Rajveer Kamal Aggarwal and Mr. Himanshu Prafulchandra Purohit may exceed the limits Specified in Sec. 197 and Schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Kamalkumar Rajendra Aggarwal in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 and Regulation 17(6)(e) of the SEBI Listing Regulations by way of Special Resolution.

The information required under Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

I. General information:		
1.	Nature of industry	The Company is a manufacturer of specialised chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals.
2.	Date or expected date of commencement of commercial production	Existing Company in operation
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable

4.	Financial performance based on given indicators	Financial performance during the financial year 2021-22: Revenue from operations: ₹ 25,711.11 Lacs Other Income: ₹ 922.37 Lacs Total Expenditure: ₹ 18,233.94 Lacs Profit before tax: ₹ 8,399.55 Lacs Net Profit after tax: ₹ 6,275.66 Lacs
5.	Foreign investments or collaborations, if any	Not applicable
II.	Information about the appointee:	
1.	Background details	Mr. Kamalkumar Aggarwal holds Diploma in Petrochemical Technology (Plastic Technology) from the Maharaja Sayajirao University of Baroda, Gujarat. He has 26 years of experience in the specialized chemicals industry. He has been on the Board since January 19, 2004
2.	Past remuneration	During the financial year ended March 31, 2022, ₹ 358.00 Lacs was paid as remuneration to Mr. Kamalkumar Aggarwal
3.	Recognition or awards	Not applicable
4.	Job profile and his suitability	Mr. Kamalkumar Aggarwal is the Chairman and Managing Director of the Company carrying out the pivotal role in management and growth of the Company. He is the promoter of the Company and well acquainted with the industry and areas in which the Company operates. His immense experience and knowledge make him suitable for the position shouldered upon him.
5.	Remuneration proposed	Basic Salary of ₹ 4 Lakhs per month and variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act, as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Kamalkumar Aggarwal of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Chairman and Managing Director held in similar sized Companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Mr. Kamalkumar Aggarwal is father of Mr. Rajveer Aggarwal, Whole-time Director of the Company.

III. Other information		
1.	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate may exceed the limits Specified in Section 197 read with schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Kamalkumar Rajendra Aggarwal in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 and Regulation 17(6)(e) of the SEBI Listing Regulations.
2.	Steps taken or proposed to be taken for improvement	Not applicable
3.	Expected increase in productivity and profits in measurable terms	Not applicable

A brief profile and other information as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out in item no. 5 of this Notice for the approval of the members of the Company by way of Special Resolution.

Except Mr. Kamalkumar Rajendra Aggarwal, Mr. Rajveer Kamal Aggarwal and/or their relatives, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 5 of the Notice.

Item No. 6:

Members at the 30th Annual General Meeting of the Company held on June 14, 2019, approved the change in designation of Mr. Navdeep Naresh Goyal (DIN: 02604876) and appointed him as a whole-time director of the Company for a period of three years with effect from May 1, 2019. Subsequently, members at the Extra-ordinary General Meeting held on August 1, 2019, approved the change in designation of Mr. Navdeep Naresh Goyal and appointed him as Deputy Managing Director of the Company with effect from August 1, 2019, for the remaining period of his tenure (three years commencing from May 1, 2019). Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the re-

appointment of Mr. Navdeep Naresh Goyal as a Deputy Managing Director for a period of 3 (Three) years with effect from May 1, 2022, subject to approval of the members. Also, pursuant to Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, appointment of any person on the Board of Directors shall be approved by the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, shareholder's approval is sought for re-appointment of Mr. Navdeep Naresh Goyal as a Deputy Managing Director of the Company for a period of three years with effect from May 1, 2022.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the remuneration payable to Mr. Navdeep Naresh Goyal, subject to approval of the members. While the Company's operations are profitable, the managerial remuneration proposed to be paid to Mr. Navdeep Naresh Goyal and the overall managerial remuneration including remuneration proposed to be paid to Mr. Kamalkumar Rajendera Aggarwal, Mr. Rajesh Chimanlal Gandhi, Mr. Navdeep Naresh Goyal, Mr. Rajveer Kamal Aggarwal and Mr. Himanshu Prafulchandra Purohit may exceed the limits Specified in Sec. 197 and Schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Navdeep Naresh Goyal in accordance with the provisions of Section II

of Part II of Schedule V of Companies Act, 2013 and Regulation 17(6)(e) of the SEBI Listing Regulations by way of Special Resolution.

The information required under Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

I. General information:		
1.	Nature of industry	The Company is a manufacturer of specialised chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals.
2.	Date or expected date of commencement of commercial production	Existing Company in operation
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4.	Financial performance based on given indicators	Financial performance during the financial year 2021-22: Revenue from operations: ₹ 25,711.11 Lacs Other Income: ₹ 922.37 Lacs Total Expenditure: ₹ 18,233.94 Lacs Profit before tax: ₹ 8,399.55 Lacs Net Profit after tax: ₹ 6,275.66 Lacs
5.	Foreign investments or collaborations, if any	Not applicable
II. Information about the appointee:		
1.	Background details	Mr. Navdeep Goyal has more than 11 years of experience in operations. He has been on the Board since April 1, 2015
2.	Past remuneration	During the financial year ended March 31, 2022, ₹ 382.00 Lacs was paid as remuneration to Mr. Navdeep Goyal
3.	Recognition or awards	Not applicable
4.	Job profile and his suitability	Mr. Navdeep Goyal is the Deputy Managing Director and promoter of the Company. He is actively involved in the decision making and management of day-to-day operations. His problem-solving skills and strategic thinking make him suitable for the job profile.
5.	Remuneration proposed	Basic Salary of ₹ 6 lakhs per month and variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act, as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.

6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Navdeep Goyal of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Deputy Managing Director held in similar sized Companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	None
III. Other information		
1.	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate may exceed the limits Specified in Section 197 read with schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Navdeep Naresh Goyal in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 and Regulation 17(6)(e) of the SEBI Listing Regulations.
2.	Steps taken or proposed to be taken for improvement	Not applicable
3.	Expected increase in productivity and profits in measurable terms	Not applicable

A brief profile and other information as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out in item no. 6 of this Notice for the approval of the members of the Company by way of Special Resolution.

Except Mr. Navdeep Naresh Goyal and/or his relatives, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 6 of the Notice.

Item No. 7:

Members at the 30th Annual General Meeting of the Company held on June 14, 2019, approved the re-appointment of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director of the Company for a period of three years with effect from May 1, 2019. Based on the recommendation of Nomination

and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the re-appointment of Mr. Rajesh Chimanlal Gandhi as a Whole-time Director for a period of 3 (Three) years with effect from May 1, 2022, subject to approval of the members. Also, pursuant to Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, appointment of any person on the Board of Directors shall be approved by the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, shareholder's approval is sought for re-appointment of Mr. Rajesh Chimanlal Gandhi as a Whole-time Director of the Company for a period of three years with effect from May 1, 2022.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the remuneration payable to Mr. Rajesh Chimanlal Gandhi, subject to approval of the members. While the Company's operations are profitable, the

managerial remuneration proposed to be paid to Mr. Rajesh Chimanlal Gandhi and the overall managerial remuneration including remuneration proposed to be paid to Mr. Kamalkumar Rajendera Aggarwal, Mr. Rajesh Chimanlal Gandhi, Mr. Navdeep Naresh Goyal, Mr. Rajveer Kamal Aggarwal and Mr. Himanshu Prafulchandra Purohit may exceed the

limits Specified in Sec. 197 and Schedule V of the Act. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Rajesh Chimanlal Gandhi in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 by way of Special Resolution.

The information required under Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

I. General information:	
1. Nature of industry	The Company is a manufacturer of specialised chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals.
2. Date or expected date of commencement of commercial production	Existing Company in operation
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4. Financial performance based on given indicators	Financial performance during the financial year 2021-22: Revenue from operations: ₹ 25,711.11 Lacs Other Income: ₹ 922.37 Lacs Total Expenditure: ₹ 18,233.94 Lacs Profit before tax: ₹ 8,399.55 Lacs Net Profit after tax: ₹ 6,275.66 Lacs
5. Foreign investments or collaborations, if any	Not applicable
II. Information about the appointee:	
1. Background details	Mr. Rajesh Gandhi holds a bachelor's degree in Commerce from Gujarat University. He has more than 23 years of experience in finance & accounts and related operations. He has been on the Board since May 1, 2012
2. Past remuneration	During the financial year ended March 31, 2022, ₹ 31.20 Lacs was paid as remuneration to Mr. Rajesh Gandhi
3. Recognition or awards	Not applicable
4. Job profile and his suitability	Mr. Rajesh Gandhi has overall control over the management in the Finance, Accounts and related operations of the Company in line with his qualification and experience in the business
5. Remuneration proposed	Basic Salary of ₹ 2.6 lakhs per month as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.

6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Rajesh Gandhi of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and board level positions held in similar sized Companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	None
III. Other information		
1.	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate may exceed the limits Specified in Section 197 read with schedule V of the Act. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Rajesh Chimanlal Gandhi in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013.
2.	Steps taken or proposed to be taken for improvement	Not applicable
3.	Expected increase in productivity and profits in measurable terms	Not applicable

A brief profile and other information as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out in item no. 7 of this Notice for the approval of the members of the Company by way of Special Resolution.

Except Mr. Rajesh Chimanlal Gandhi and/or his relatives, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 7 of the Notice.

Item No. 8:

Members at the 30th Annual General Meeting of the Company held on June 14, 2019, approved the change in designation of Mr. Rajveer Kamal Aggarwal (DIN: 07883896) and appointed him as a Whole-time Director of the Company for a period of three years with effect from May 1, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting

held on April 28, 2022, has approved the re-appointment of Mr. Rajveer Kamal Aggarwal as a Whole-time Director for a period of 3 (Three) years with effect from May 1, 2022, subject to approval of the members. Also, pursuant to Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, appointment of any person on the Board of Directors shall be approved by the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, shareholder's approval is sought for re-appointment of Mr. Rajveer Kamal Aggarwal as a Whole-time Director of the Company for a period of three years with effect from May 1, 2022.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the remuneration payable to Mr. Rajveer Kamal Aggarwal, subject to approval of the members. While the Company's operations are profitable, the managerial remuneration proposed to be paid to Mr. Rajveer Kamal Aggarwal and the overall managerial remuneration including remuneration proposed to be

paid to Mr. Kamalkumar Rajendera Aggarwal, Mr. Rajesh Chimanlal Gandhi, Mr. Navdeep Naresh Goyal, Mr. Rajveer Kamal Aggarwal and Mr. Himanshu Prafulchandra Purohit may exceed the limits Specified in Sec. 197 and Schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution,

the members are requested to consider and approve the remuneration payable to Mr. Rajveer Kamal Aggarwal in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 and Regulation 17(6)(e) of the SEBI Listing Regulations by way of Special Resolution.

The information required under Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

I. General information:		
1.	Nature of industry	The Company is a manufacturer of specialised chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals.
2.	Date or expected date of commencement of commercial production	Existing Company in operation
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4.	Financial performance based on given indicators	Financial performance during the financial year 2021-22: Revenue from operations: ₹ 25,711.11 Lacs Other Income: ₹ 922.37 Lacs Total Expenditure: ₹ 18,233.94 Lacs Profit before tax: ₹ 8,399.55 Lacs Net Profit after tax: ₹ 6,275.66 Lacs
5.	Foreign investments or collaborations, if any	Not applicable
II. Information about the appointee:		
1.	Background details	Mr. Rajveer Aggarwal holds a bachelor's degree in chemical engineering from the Gujarat Technological University, Gujarat. He has more than six years of experience in operations. He has been on the Board since Oct 2017
2.	Past remuneration	During the financial year ended March 31, 2022, ₹ 24.00 lacs was paid as remuneration to Mr. Rajveer Aggarwal
3.	Recognition or awards	Not applicable
4.	Job profile and his suitability	Mr. Rajveer Aggarwal is a chemical engineer and has extensive knowledge in the products which the Company manufactures.
5.	Remuneration proposed	Basic Salary of ₹ 2 lakhs per month as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.

6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Rajveer Aggarwal of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and board level positions held in similar sized Companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	None
III. Other information		
1.	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate may exceed the limits Specified in Section 197 read with schedule V of the Act and/or Regulation 17(6)(e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Rajveer Kamal Aggarwal in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 and Regulation 17(6)(e) of the SEBI Listing Regulations.
2.	Steps taken or proposed to be taken for improvement	Not applicable
3.	Expected increase in productivity and profits in measurable terms	Not applicable

A brief profile and other information as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out in item no. 8 of this Notice for the approval of the members of the Company by way of Special Resolution.

Except Mr. Rajveer Kamal Aggarwal, Mr. Kamalkumar Rajendra Aggarwal and/or their relatives, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 8 of the Notice.

Item No. 9:

Members at the 30th Annual General Meeting of the Company held on June 14, 2019, approved the re-appointment of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as a Whole-time Director of the Company for a period of three years with effect from

May 1, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the re-appointment of Mr. Himanshu Prafulchandra Purohit as a Whole-time Director for a period of 3 (Three) years with effect from May 1, 2022, subject to approval of the members. Also, pursuant to Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, appointment of any person on the Board of Directors shall be approved by the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, shareholder's approval is sought for re-appointment of Mr. Himanshu Prafulchandra Purohit as a Whole-time Director of the Company for a period of three years with effect from May 1, 2022.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, has approved the remuneration payable to Mr. Himanshu

Pratulchandra Purohit, subject to approval of the members. While the Company's operations are profitable, the managerial remuneration proposed to be paid to Mr. Himanshu Pratulchandra Purohit and the overall managerial remuneration including remuneration proposed to be paid to Mr. Kamalkumar Rajendera Aggarwal, Mr. Rajesh Chimanlal Gandhi, Mr. Navdeep Naresh Goyal, Mr. Rajveer Kamal Aggarwal and Mr. Himanshu Pratulchandra Purohit

may exceed the limits Specified in Sec. 197 and Schedule V of the Companies Act, 2013. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Himanshu Pratulchandra Purohit in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013 by way of Special Resolution.

The information required under Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

I. General information:		
1.	Nature of industry	The Company is a manufacturer of specialised chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals.
2.	Date or expected date of commencement of commercial production	Existing Company in operation
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4.	Financial performance based on given indicators	Financial performance during the financial year 2021-22: Revenue from operations: ₹ 25,711.11 Lacs Other Income: ₹ 922.37 Lacs Total Expenditure: ₹ 18,233.94 Lacs Profit before tax: ₹ 8,399.55 Lacs Net Profit after tax: ₹ 6,275.66 Lacs
5.	Foreign investments or collaborations, if any	Not applicable
II. Information about the appointee:		
1.	Background details	Mr. Himanshu Purohit holds a master's degree in Science in Inorganic Chemistry from the Sardar Patel University, Gujarat. He has more than 23 years of experience in production related operations. He has been on the Board since May 1, 2012
2.	Past remuneration	During the financial year ended March 31, 2022, ₹ 31.20 Lacs was paid as remuneration to Mr. Himanshu Purohit
3.	Recognition or awards	Not applicable
4.	Job profile and his suitability	Mr. Himanshu Purohit has control over the management in the production and operations of the Company's business in line with his qualification and experience in the business

5.	Remuneration proposed	Basic Salary of ₹ 2.6 lakhs per month as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Himanshu Purohit of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and board level positions held in similar sized Companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	None
III. Other information		
1.	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate may exceed the limits Specified in Section 197 read with schedule V of the Act. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to Mr. Himanshu Purohit in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013.
2.	Steps taken or proposed to be taken for improvement	Not applicable
3.	Expected increase in productivity and profits in measurable terms	Not applicable

A brief profile and other information as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 issued by ICSI is provided as Annexure to this Notice.

The Board recommends the resolution set out in item no. 9 of this Notice for the approval of the members of the Company by way of Special Resolution.

Except Mr. Himanshu Prafulchandra Purohit and/or his relatives, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 9 of the Notice.

Registered Office:

Block No. 355, Manjusar-Kunpad Road,
Village: Manjusar, Taluka: Savli,
Dist.: Vadodara – 391 775, Gujarat

Place: Vadodara
Date: June 28, 2022

By Order of the Board
For Chemcon Speciality Chemicals Limited

Shahilkumar Kapatel
Company Secretary & Compliance Officer
M. No.: A52211

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM

(Pursuant to Regulation 36(3) of the listing regulations and Secretarial Standard - 2 on General Meetings)

Mr. Pradeep Agrawal 00048699 Independent Director	Mr. Kamalkumar Aggarwal 00139199 Managing Director	Mr. Navdeep Goyal 02604876 Deputy Managing Director	Mr. Rajesh Gandhi 03296784 Wholetime Director	Mr. Rajveer Aggarwal 07883896 Wholetime Director	Mr. Himanshu Purohit 03296807 Wholetime Director
Date of Birth (Age):					
20/07/1969 (53 Years)	27/12/1962 (59 Years)	08/05/1990 (32 Years)	12/04/1971 (51 Years)	17/08/1995 (26 Years)	30/07/1973 (48 Years)
Qualification:					
Fellow member of ICAI and member of ICSI	Diploma in Petrochemical Technology	Higher Secondary Examinations	Bachelor's Degree in Commerce	Bachelor's Degree in Chemical Engineering	Master's Degree in Science in Inorganic Chemistry
Brief resume and expertise of the Director:					
Mr. Pradeep Agrawal is specialized in the field of Finance, Business, Administration and social activities and has experience of more than 25 years. He is in the Board of various companies and is also engaged in social activities. He also acts as a Trustee of the various Trusts	Mr. Kamalkumar Aggarwal holds Diploma in Petrochemical Technology (Plastic Technology) from the Maharaja Sayajirao University of Baroda, Gujarat. He has 26 years of experience in the specialized chemicals industry. He has been on the Board since January 19, 2004	Mr. Navdeep Goyal has more than 11 years of experience in operations. He has been on the Board since April 1, 2015	Mr. Rajesh Gandhi holds a bachelor's degree in Commerce from Gujarat University. He has more than 23 years of experience in finance & accounts and related operations. He has been on the Board since May 1, 2012	Mr. Rajveer Aggarwal holds a bachelor's degree in chemical engineering from the Gujarat Technological University, Gujarat. He has more than 6 years of experience in operations. He has been on the Board since Oct 2017	Mr. Himanshu Purohit holds a master's degree in Science in Inorganic Chemistry from the Sardar Patel University, Gujarat. He has more than 23 years of experience in production related operations. He has been on the Board since May 1, 2012
The skills and capabilities of Independent Director and its fulfilment:					
The educational qualifications, expertise and vast experience of Mr. Pradeep Agrawal enables him to fulfil his role and discharge his responsibilities as Independent Director	NA	NA	NA	NA	NA
Terms and conditions of appointment or re-appointment and remuneration sought to be paid:					
As per the Special Resolution set out in item no. 4 of this notice read with explanatory statement thereto.	As per the Special Resolution set out in item no. 5 of this notice read with explanatory statement thereto.	As per the Special Resolution set out in item no. 6 of this notice read with explanatory statement thereto.	As per the Special Resolution set out in item no. 7 of this notice read with explanatory statement thereto.	As per the Special Resolution set out in item no. 8 of this notice read with explanatory statement thereto.	As per the Special Resolution set out in item no. 9 of this notice read with explanatory statement thereto.

Mr. Pradeep Agrawal	Mr. Kamalkumar Aggarwal	Mr. Navdeep Goyal	Mr. Rajesh Gandhi	Mr. Rajveer Aggarwal	Mr. Himanshu Purohit
Date of first appointment on the Board:					
28/04/2022	19/01/2004	01/04/2015	01/05/2012	01/10/2017	01/05/2012
Number of Board Meetings attended during the financial year 2021-22:					
NIL	6 (Six)	4 (Four)	5 (Five)	5 (Five)	6 (Six)
Remuneration drawn during the financial year 2021-22:					
NA	358.00 Lacs	382.00 Lacs	31.20 Lacs	24.00 Lacs	31.20 Lacs
Number of shares held in the Company as on March 31, 2022:					
a. Own					
b. For other persons on a beneficial basis					
a. NIL	a. *1,01,87,080	a. **86,08,166	a. NIL	a. 25,32,800	a. NIL
b. NIL	b. NIL	b. NIL	b. NIL	b. NIL	b. NIL
Relationships between Directors inter-se:					
None	Father of Mr. Rajveer Aggarwal, Whole-time Director of the Company	None	None	Son of Mr. Kamalkumar Aggarwal, Promoter, Chairman and Managing Director of the Company	None
Directorship in other Companies as on March 31, 2022:					
Director: - Vital Care Pvt Ltd - Interpharm Biotech Private Limited - Vadodara Smile Foundation - Vadodara City Police Parivaar Kalyan Foundation - Shashvat Vikas Prabodhan Parishad Wholetime Director: - Shine Pharmaceuticals Limited Managing Director: - Bhoomi Medicaments Limited Independent Director: - Bharat Petroleum Corporation Limited	Director: - Medicap Healthcare Limited	Director: - Supertech Fabrics Private Limited - GGC Chemicals & Pharmaceuticals Private Limited - Super Industrial Lining Private Limited	Director: - Medicap Healthcare Limited	Director: - Sang Froid Marine Chem Private Limited - Medicap Healthcare Limited	NIL

Mr. Pradeep Agrawal	Mr. Kamalkumar Aggarwal	Mr. Navdeep Goyal	Mr. Rajesh Gandhi	Mr. Rajveer Aggarwal	Mr. Himanshu Purohit
Committee position held in other Companies as on March 31, 2022:					
Member in below committees of BPCL: 1. Audit Committee 2. Project Evaluation Committee 3. BPCL Trust for Investment in Shares Committee	NIL	NIL	NIL	NIL	NIL
Listed entities from which the Director has resigned from Directorship in last three (3) years:					
NIL	Managing Director: One Global Service Provider Limited (resigned w.e.f. 20/08/2020)	NIL	NIL	NIL	NIL

**Includes 5,10,000 Equity Shares which are jointly held by Mr. Kamalkumar Aggarwal, first holder and Mr. Rajveer Aggarwal, Second holder.*

***Includes 62,33,500 Equity Shares which are jointly held by Mr. Navdeep Goyal, first holder and Shubharangana Goyal, Second holder.*

DIRECTOR'S REPORT

To,
The Members,
Chemcon Speciality Chemicals Limited

The directors have pleasure in presenting the 33rd Annual Report on the business and operations of Chemcon Speciality Chemicals Limited ("the Company") together with the audited financial statements for the financial year ended March 31, 2022.

FINANCIAL SUMMARY AND HIGHLIGHTS:

The financial performance of the Company for the year ended March 31, 2022, is summarised below:

(INR in Lacs)		
PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	25,711.11	24,348.72
Other Income	922.37	463.53
Total Income	26,633.49	24,812.25
Profit before Financial Cost, Depreciation and tax	9,083.39	8,576.50
Less: Finance Costs	56.94	363.31
Less: Depreciation/ Amortisation/ Impairment	626.90	607.62
Profit before Tax	8,399.55	7,605.57
Less: Tax Expense (Current & Deferred)	2,123.89	1,965.75
Profit after tax for the year	6,275.66	5,639.82
Other Comprehensive Income/(loss)	(35.16)	(5.23)
Total Comprehensive Income for the year	6,240.50	5,634.59

The above figures are extracted from the audited financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the Companies (Indian Accounting Standard) Rules, 2015, as amended, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "Listing Regulations").

STATE OF COMPANY'S AFFAIR:

For the financial year ended March 31, 2022, the Company has achieved an increase in revenue from operations by 5.60%. The profit before tax as at the financial year ended March 31, 2022 is INR 8399.55 lacs as compared to INR 7,605.57 lacs at the end of previous financial year, recording an increase of

profit before tax by INR 793.98 lacs mostly influenced by increase in total income and reduction of finance cost. The profit after tax as at the financial year ended March 31, 2022, is INR 6,275.66 lacs which is improved by INR 635.84 lacs as compared to previous financial year. The earnings per share increased by 3.94% from INR 16.48 per share to INR 17.13 per share.

The Company have successfully commenced commercial production in plant P8 and have added a capacity of producing 2400 MTPA of TMCS and 1200 MTPA of CMIC. This expansion of production capacity will result in reduction of imports of TMCS and increase in production of HMDS. In September 2021, the Company received a communication from Gujarat Pollution Control Board (GPCB) directing to

close the operations at Company's manufacturing plant. Further, In October 2021, GPCB granted temporary revocation of 3 months to the closure order. GPCB issued order for permanent revocation for the closure order in May 2022 and the subject matter was satisfactorily resolved.

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2021-22 and the date of this report and there has been no change in the nature of business or the business line of the Company.

The detailed discussion of the Company's performance is provided under the heading Management Discussion and Analysis in the Annual Report.

DIVIDEND:

The directors have thought fit to plough back the profit in operations for providing long-term working capital and hence, opted not to declare any dividend for the financial year ended March 31, 2022. Further, the Company is not required to transfer any amount to the Investor Education and Protection Fund (IEPF).

TRANSFER TO RESERVE:

No amount has been transferred to any reserve during the financial year 2021-22.

SHARE CAPITAL:

Authorised Share Capital of the Company is INR 50,00,00,000/- (INR Fifty Crores Only) divided in to 5,00,00,000 (Five Crores) Equity Shares of INR 10/- (INR Ten only) each.

Issued, Subscribed and Paid-up Share Capital of the Company is INR 36,63,07,010/- (INR Thirty Six Crores Sixty Three Lacs Seven Thousand and Ten only) divided into 3,66,30,701 (Three Crores Sixty Six Lacs Thirty Thousand Seven Hundred and One) Equity Shares of INR 10/- (INR Ten Only) each.

During the financial year ended March 31, 2022, the Company has not bought back any of its securities, has not issued any Sweat Equity Shares or Bonus Shares and has not provided any Stock Option Scheme to the employees.

Further, the Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2022.

UTILISATION OF IPO PROCEEDS:

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on October 01, 2020. The IPO proceeds were utilised as per the objects stated in the prospectus of the Company and pursuant to Regulation 32 of the Listing Regulations there was no deviation/variation in utilisation of funds raised in respect of the Initial Public Offering of the Company. The Company has appointed HDFC Bank Limited as Monitoring Agency in terms of regulation 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 as amended from time to time, to monitor the utilisation of IPO proceeds and the Company has obtained monitoring reports from the Monitoring Agency from time to time.

The Company has submitted the statement(s) and report as required under Regulation 32 of the Listing Regulations to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited on timely basis.

A certificate has been obtained from the Statutory Auditors of the Company confirming the utilisation of the IPO proceeds as per the objects stated in the prospectus of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary, joint venture or associate Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The board of directors of the Company comprises of a combination of executive and non-executive directors with one woman director and 50% of the board of directors comprises of non-executive directors.

Resignation of Independent Director:

During the financial year ended March 31, 2022, Mr. Devendra Rajkumar Mangla (DIN: 08421613) has resigned from the Board of the Company as Independent Director with effect from February 17, 2022 due to personal reasons and other business commitments.

The Board placed on record their appreciation for the assistance and guidance provided by Mr. Devendra Rajkumar Mangla during his tenure as Independent Director of the Company.

Appointment of Independent Director:

Mr. Pradeep Vishambhar Agrawal (DIN: 00048699), was appointed as an Additional Director (Non-Executive & Independent) on the Board of the Company with effect from April 28, 2022 to hold office up to the date of the ensuing annual general meeting. Mr. Pradeep Vishambhar Agrawal is a qualified Chartered Accountant and Company Secretary. He is a Managing Director in a pharmaceutical company and is in the Board of various other companies. He is also an Independent Director of Bharat Petroleum Corporation Limited. He is also engaged in social activities and is a Director of two Section 8 (not for profit) companies. He also acts as a Trustee of the various Trusts. The Board seeks the approval of members at the ensuing annual general meeting under regulation 17(1C) of Listing Regulations.

Further, Mr. Pradeep Vishambhar Agrawal is appointed as an Independent Director to hold office for a term of 5 years commencing on April 28, 2022, subject to the approval of members and who shall not be liable to retire by rotation. In the opinion of the Board, he is a person of integrity and possesses expertise in the fields of Finance, Business and Administration, which brings a value addition in the Board of the Company. Also, he possesses relevant proficiency, and his vast experience will be beneficial to the Company.

Members' approval for his appointment as an Independent Director, under Sections 149 and 152 of the Companies Act, 2013 and under Listing Regulations has been sought in the Notice convening the 33rd Annual General Meeting of the Company.

Re-appointment of Managing Directors and Whole-time Directors:

On recommendation of the Nomination Remuneration Committee, the Board of Directors at their meeting held on April 28, 2022, have re-appointed and fixed the remuneration of below mentioned directors with effect from May 1, 2022, for a period of 3 years, subject to approval of members at the ensuing Annual General Meeting:

- Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) as a Managing Director
- Mr. Navdeep Naresh Goyal (DIN: 02604876) as a Deputy Managing Director
- Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director
- Mr. Rajveer Kamal Aggarwal (DIN: 07883896) as a Whole-time Director
- Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as a Whole-time Director

Members' approval on the terms and conditions of such re-appointment and remuneration payable, as required under section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder and under Listing Regulations has been sought in the Notice convening the 33rd Annual General Meeting of the Company.

Retirement by Rotation:

As per the provisions of Section 152(6) of the Companies Act, 2013, not less than two-third of the total number of Directors, other than Independent Directors shall be liable to retire by rotation. One-third of these Directors are required to retire every year. Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer himself for re-appointment. A detailed profile of Mr. Mr. Rajesh Chimanlal Gandhi along with additional information required under Regulation 36(3) of Listing Regulations and Secretarial Standard on general meetings is provided separately by way of Annexure to the Notice convening the 33rd Annual General Meeting of the Company.

The Board recommends his re-appointment for members approval.

Declaration by Independent Directors:

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors' have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. Further, during the financial year ended March 31, 2022, there has been no change in the circumstances affecting their status as Independent Directors of the Company.

Annual Compliance Affirmation:

Pursuant to the requirements of Regulation 26(3) of Listing Regulations, all members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct for Board of Directors and senior management personnel.

Meetings of the Board of Directors:

During the financial year ended March 31, 2022, 6 (Six) Meetings of the Board of Directors were held in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards and regulation 17 of the Listing Regulations. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report which forms part of the Annual Report of the Company.

COMMITTEES OF BOARD:

The Company has duly constituted the following Committees in terms of the provisions of the Companies Act, 2013 read with relevant rules framed thereunder & Listing Regulations:

- a. Audit Committee
- b. Stakeholders Relationship Committee
- c. Nomination and Remuneration Committee
- d. Corporate Social Responsibility Committee
- e. Risk Management Committee

The composition of all such Committees, brief terms of reference, number of meetings held, their dates and attendance during the financial year ended March 31, 2022, and other details have been

provided in the Corporate Governance Report which forms part of the Annual Report of the Company. There has been no instance during the year where the recommendations of the Committees were not accepted by the Board.

Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Company's Audit Committee comprises Mr. Bharat Chunilal Shah as the Chairperson and Ms. Neelu Atulkumar Shah, Mr. Samir Chandrakant Patel and Mr. Kamalkumar Rajendra Aggarwal as members of the Committee.

Stakeholders Relationship Committee:

In compliance with the provisions of section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has constituted a "Stakeholders Relationship Committee" to consider and resolve the grievances of security holders of the company.

Nomination and Remuneration Committee:

The Company, pursuant to Section 178(1) of the Companies Act, 2013 and regulation 19 of Listing Regulations, has constituted the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has formulated a policy defining the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees known as Nomination and Remuneration Policy (NRC Policy). The NRC Policy is available on the Company's website at <https://www.cscpl.com/policies.php>.

The salient features of the NRC Policy are as under:

1. Setting out scope and objective of the policy
2. Defining role of the Committee
3. Laying down the qualifications and criteria to appoint a Director

4. Identification of criteria of independence for Independent Director
5. Identifying the entitlement to non-executive Directors
6. Framing structure of remuneration to the Executive Directors and Key Managerial Personnel and other employees.

Corporate Social Responsibility (CSR) Committee:

The Company had constituted a Corporate Social Responsibility Committee consisting of three members, Mr. Navdeep Naresh Goyal as the Chairperson and Mr. Bharat Chunilal Shah and Mr. Devendra Rajkumar Mangla as members of the Committee. Mr. Devendra Rajkumar Mangla resigned from the Board of the Company and from CSR Committee with effect from February 17, 2022. The Board of Directors at their meeting held on April 28, 2022, appointed Mr. Pradeep Vishambhar Agrawal as an Additional Director (Non-Executive & Independent). Accordingly, the CSR Committee was reconstituted and Mr. Pradeep Vishambhar Agrawal was appointed as a member of the CSR Committee.

The Company has adopted the Corporate Social Responsibility Policy as recommended by CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is available on Company's website at <https://www.cscpl.com/policies.php>.

During the financial year ended March 31, 2022, the Company has spent INR 113.59 lacs towards various CSR programs and in addition to this, the Company has transferred INR 24.39 lacs to the Unspent Corporate Social Responsibility Account pursuant to the ongoing project aggregating the total spent towards CSR obligation to INR 137.98 lacs. Further, the amount transferred to unspent CSR Account was completely spent towards the ongoing project and the said project stands completed as on date of this report.

The initiatives undertaken by the Company during the financial year ended March 31, 2022 in CSR activities have been detailed in Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and is appended as **Annexure - I**.

Risk Management Committee:

The provisions of Regulation 21 of the Listing Regulations were made applicable to the Company by SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, on May 05, 2021. Accordingly, the board of directors at their meeting held on May 31, 2021 has constituted a Risk Management Committee which is responsible for management of risk, avoid exposure to significant financial loss and achieve risk management objectives as specified under Risk Management Policy. The Risk management committee comprises of three members, Mr. Samir Chandrakant Patel, Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit.

The Board of Directors periodically evaluates the processes for Risk Identification and Risk Mitigation. The Company has a system for Risk Management to define, assess and track business threats and obstacles throughout the Company. The management of the Company has duly adopted the Risk Management Policy to articulate the Company's approach and expectations in relation to the management of risk across the organisation. The Risk Management Policy is available on Company's website at <https://www.cscpl.com/policies.php>.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which are inherent in business and type of industry in which the Company operates are elaborately described in the Management Discussion and Analysis forming part of the Annual Report.

VIGIL MECHANISM:

As per provisions of Section 177(9) of the Companies Act, 2013 read with Regulation 22(1) of Listing Regulations, the Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the employees to report their grievances / concerns about instances of unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct.

The Policy provides for adequate safeguards against victimisation of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed

that no personnel of the Company have been denied access to the Audit Committee.

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. The Whistle Blower policy is available on the Company's website at <https://www.cscpl.com/policies.php>.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors have carried out annual performance evaluation of the Board as a whole, Board Committees, Individual Directors and Independent Directors on the basis of criteria laid down in Performance Evaluation Policy of the Company.

The performance of Independent Directors, Non-executive Directors, Executive Directors, Whole-time Directors, Managing Directors and Chairperson was evaluated by all the members of the Nomination and Remuneration Committee (other than the member evaluating) on the basis of criteria laid down in Performance Evaluation Policy.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held to evaluate the performance of the Chairperson, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their meeting was noted by the Board.

AUDITORS:

Statutory Auditor:

M/s. K. C. Mehta & Co., Chartered Accountants have been appointed as statutory auditor of the Company by the member at their 30th Annual General Meeting (AGM) held on 14th June 2019 to hold office for the period of 5 years till the conclusion of 35th AGM of the Company.

M/s. K. C. Mehta & Co., Statutory Auditors, have not made any modified opinion, qualifications,

reservations, adverse remarks or disclaimers in their report for the financial year ended March 31, 2022. Accordingly, the board is not required to provide any explanation or comments in terms of Section 134(3)(f)(i) of the Companies Act, 2013.

There are no frauds reported by the Auditor which are required to be disclosed under Section 143(12) of Companies Act, 2013 for the financial year ended March 31, 2022.

Cost Auditor:

Based on the recommendation made by the Audit Committee, the Board of Directors of the Company has appointed, M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341) as the Cost Auditor of the Company for the financial year 2022-23. The remuneration payable to the Cost Auditor is required to be ratified by the Shareholders at the ensuing AGM and accordingly, a resolution seeking ratification has been included in the Notice convening the AGM.

The Cost Audit report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark and has been furnished to the Central Government within the prescribed time limits.

The Company has made and maintained necessary cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

Secretarial Auditor:

Pursuant to provision of section 204 of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended or re-enacted from time to time), and as recommended by the Audit Committee, M/s. Kuldeep Bengani & Associates LLP, Practicing Company Secretaries, were appointed as Secretarial Auditor by the Board for conducting the Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit report is appended as **Annexure II** and forms part of the Directors Report.

Remark in Secretarial Audit report:

“During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company has undertaken the Directors and Officers insurance under Regulation 25(10) of the Listing Regulations from 06-04-2022.”

Management’s response to the remark of Secretarial Auditor:

“The Company was in process of scrutinizing and selecting optimum D and O insurance plan for the Independent Directors. However, the Company has undertaken the Directors and Officers insurance which is effective from 06-04-2022.”

Internal Auditor:

The Internal Auditor of the Company is appointed by the Board on yearly basis, on the recommendation of the Audit Committee. The findings of internal audit are reported by the Internal Auditor to the Audit Committee on a periodic basis.

M/s. Sahu & Co., Chartered Accountants, (FRN: 130001W), were appointed as the Internal Auditors of the Company to conduct the internal audit for the financial year 2022-23.

PARTICULARS OF EMPLOYEES AND REMUNERATION:

Disclosures with respect to information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the statement required under Rule 5(2) of the said rule is appended as **Annexure III**.

DIRECTOR’S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

- a. In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed and there are no material departures;

- b. They 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 for the financial year ended March 31, 2022 and of the profit and loss of the company for that period;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report, as stipulated under Regulation 34(2)(f) of Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective is appended as **Annexure IV**.

CORPORATE GOVERNANCE:

As per Regulation 34 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a separate section on Report on Corporate Governance practices followed by the Company is included in the Annual Report.

A Certificate from M/s. Kuldeep Bengani & Associates LLP, Practicing Company Secretaries regarding compliance with the conditions of Corporate Governance is appended as **Annexure V**.

ANNUAL RETURN:

As required under Section 134(3)(a) of the Companies Act, 2013, the draft of the Annual Return, referred to in sub-section (3) of section 92,

for the financial year ended March 31, 2022, is placed on the Company's website and can be accessed at <https://www.cscpl.com/33rd-agm.php>.

INTERNAL FINANCIAL CONTROLS:

Internal Financial Controls are an integrated part of the risk management process. The Company has adequate internal financial controls in place to address financial and financial reporting risks. The internal financial controls with reference to the financial statements are commensurate with the size and nature of business of the Company.

This internal financial control system of the Company is being checked by the Internal Auditors. The system helps in improving operational and financial efficiency of the Company, safeguarding of assets and prevention and detection of frauds, if any. No material observations have been received from the Internal Auditors of the Company regarding inefficiency or inadequacy of such controls.

During the financial year 2021-22, the Company has tested its controls and the same are effectively working. Statutory Auditors' Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, is annexed with the Independent Auditors' Report.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:

The Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee to consider and resolve all complaints relating to sexual harassment to its women employees at workplace. The Company has taken various initiatives to ensure a safe and healthy workplace for its women employees.

The Company has also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints of sexual harassment were received by the Company during the financial year 2021-22.

CREDIT RATING:

As at the financial year ended March 31, 2022, the Company had a Long-Term Rating of CRISIL BBB+/Watch Negative (Placed on 'Rating Watch with Negative Implications'). The Credit Rating Letter is also available on the website of the Company at <https://www.cscpl.com/other-shareholder-information.php>.

The Company has also submitted the disclosure in respect of the above to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited as required under Regulation 30 of the Listing Regulations.

RELATED PARTY TRANSACTIONS:

All Related Party Transactions that were entered into by the Company with the Related Parties, during the financial year 2021-22, were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the name of the Related Party, nature and value of the transactions.

During the year under review, there were no material contracts or arrangement or transactions entered into by the Company with related parties hence, there were no transactions with Related Parties during the year which are required to be reported in Form AOC-2.

Disclosure of all the transactions entered by the Company with related parties are set out in Note No. 35 of the Financial Statements of the Company in the format prescribed in the relevant Accounting Standards.

In terms of the requirements of the Companies Act, 2013 and the Listing Regulations, the Company has adopted a Policy on Related Party Transactions which is available on the website of the Company at <https://www.cscpl.com/policies.php>.

SIGNIFICANT AND MATERIAL ORDERS PASSED AGAINST THE COMPANY:

During the financial year 2021-22, the Company received a notice dated September 9, 2021 from Gujarat Pollution Control Board (GPCB) directing closure of operations of manufacturing plant situated at Manjusar, Vadodara under Environmental (Protection) Act with immediate effect for violation of the Hazardous & Other Waste (Management & Transboundary Movement) Rules, 2016. Upon application for revocation made by the Company, GPCB, vide its revocation order dated October 22, 2021, granted temporary revocation of closure directions for three months' subject to compliance of conditions as stated in the revocation order. Subsequently, the Company made representation before GPCB for permanent revocation of the closure order and GPCB granted permanent revocation of closure order on May 19, 2022.

DEPOSITS:

No public deposits have been accepted or renewed by the Company during the financial year 2021-22 pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Companies Act, 2013 or the details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the financial year 2021-22, the Company has not given any loan, has not provided any guarantee or security for any loan nor has made any investments under the provisions of Section 186 of the Companies Act, 2013.

ISO CERTIFICATE:

The Company is holding ISO 9001: 2015 and ISO 14001:2015 certification with respect to the manufacture and supply of pharmaceutical intermediates, silanes and oilfield chemicals.

INDUSTRIAL RELATIONS:

Industrial relations at all divisions of the Company have always been cordial and continue to be so. The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full cooperation from the employees. The Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of quality, productivity, efficiency and customer delight.

INSURANCE:

The Company has obtained public liability insurance in compliance with requirements under the Public Liability Insurance Act, 1991, as amended, as well as industrial all risk insurance (including material damage and business interruption insurance) with respect to our manufacturing facility, covering inter alia buildings, plant and machinery, furniture and stock located therein and a marine cargo open policy with respect to our key products and raw materials. The Company had also obtained standard fire and special perils policies with respect to our corporate office, our sales and marketing office in Mohali, a fire floater policy with respect to external leased warehouses and a money insurance policy covering our corporate office and manufacturing facility at Vadodara. Further, the Company has also undertaken Directors and Officers insurance ('D and O insurance').

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO:

The details 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 appended as **Annexure VI**.

COMPLIANCE OF SECRETARIAL STANDARDS:

During the financial year 2021-22, the Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the

Central Government, in terms of Section 118(10) of the Companies Act, 2013.

GENERAL DISCLOSURES:

The Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
- b. The Company does not have any subsidiaries hence, disclosure on remuneration or commission received by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries is not applicable.
- c. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- d. Disclosure on non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section

67(3) of the Companies Act, 2013 is not applicable.

- e. The Company has not made any application and there are no pending proceedings under the Insolvency and Bankruptcy Code, 2016.
- f. The Company is solvent and financially healthy hence there were no instance of one-time settlement with Banks or Financial Institutions during the financial year 2021-22.

ACKNOWLEDGEMENT:

The Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. The Directors would also like to express their appreciation for the assistance and co-operation of Central and State Government authorities, bankers, customers, suppliers and business associates. The Directors acknowledge with gratitude, the encouragement and support extended by the Company's valued stakeholders.

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
Chairman & Managing Director
DIN: 00139199

Place: Vadodara
Date: June 28, 2022

Annexure I to Director's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to section 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the company's CSR Policy:

Chemcon Speciality Chemicals Limited (the "Company") is well aware of its corporate social responsibility and it leads to growing the trust of all stakeholders. The Corporate Social Responsibility Policy (the "CSR Policy") shall apply to all CSR activities undertaken or sponsored by the Company. The policy underlines the guiding principles and mechanisms for undertaking various CSR activities/programs by the Company in accordance with Section 135 and Schedule VII of the Companies Act, 2013 (the "Act") read with rules made thereunder.

2. Composition of CSR Committee:

The CSR Committee comprises of following members:

Sl. No.	Name of Director	Nature of Directorship	Meetings of CSR Committee during the year	
			No. of meetings held	No. of meetings attended
1.	Navdeep Naresh Goyal	Deputy Managing Director	3	3
2.	Bharat Chunilal Shah	Independent Director	3	0
3.	Devendra Rajkumar Mangla (up to 17/02/2022)	Independent Director	3	3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed: <https://www.cscpl.com>

4. 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: Not Applicable for the year under review.

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:

(INR in Lacs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
NIL			

6. Average net profit of the company as per section 135(5): INR 6,672.89 Lacs

7. CSR obligation:

(INR in Lacs)

Sl. No.	Particulars	Amount
a.	Two percent of average net profit of the Company as per Section 135(5)	133.46
b.	Surplus arising out of the CSR projects or programs or activities of the previous financial years	0.00
c.	Amount required to be set-off for the financial year, if any	0.00
d.	Total CSR obligation for the financial year (a+b-c)	133.46

8. a. Details of CSR spent or unspent during the financial year:

(INR in Lacs)

Total amount spent for the financial year	Amount unspent				
	Total amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
113.59	24.39	27/04/2022	-	-	-

b. Details of CSR amount spent against ongoing projects for the financial year:

(INR in Lacs)

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		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR No.
1.	Providing High-End Digital Mammography Machine (Model: Venus DRV) to S.S.G. Hospital, Vadodara	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	1 Year	48.78	24.39	24.39	Yes	-	-
Total						-	48.78	24.39	24.39	-	-	-

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

(INR in Lacs)

Sl. No.	Name of the Project/ Programme	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	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR No.
1	Setting up homes for differently abled women	Promoting Gender Equality, Empowering Women, Setting Up Homes And Hostels For Women And Orphans	Yes	Gujarat	Vadodara	11.00	No	Muni Seva Ashram	CSR00004688
2	COVID-19 : Medical Infrastructure	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	0.28	Yes	-	-
3	COVID-19 : Medical Infrastructure	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	29.50	Yes	-	-
4	COVID-19 : Distribution of Bipap Masks	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	0.33	Yes	-	-
5	COVID-19 : Medical Infrastructure	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	0.97	Yes	-	-
6	COVID-19: Distribution of Enoxaparin Sodium Injection	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	3.41	Yes	-	-
7	Providing food to migrant labourers, poor people etc.	Eradicating Hunger, Poverty And Malnutrition	Yes	Gujarat	Vadodara	2.00	No	International Society for Krishna Consciousness	CSR00005241
8	Education : Systemic Reforms	Promoting Education	Yes	Gujarat	Vadodara	5.00	No	Mahavir Foundation Trust	CSR00002591
9	COVID-19 : Medical Infrastructure	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	0.09	Yes	-	-
10	Rural livelihood programs	Rural Development / Community Development	Yes	Gujarat	Vadodara	0.40	Yes	-	-
11	Supporting School	Promoting Education	Yes	Gujarat	Vadodara	0.38	Yes	-	-
12	COVID-19 Medical Infrastructure	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	5.90	Yes	-	-
13	Rural livelihood programs	Rural Development / Community Development	Yes	Gujarat	Vadodara	0.75	Yes	-	-
14	Rural livelihood programs	Rural Development / Community Development	No	Gujarat	Narmada	5.00	No	Shri Jan Jatan Sarvangi Vikas Charitable Trust	CSR00007353
15	Rural livelihood programs	Rural Development / Community Development	No	Gujarat	Panchmahal	5.00	No	Shumangalam Foundation	CSR00020899

Sl. No.	Name of the Project/ Programme	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	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR No.
16	Rural livelihood programs	Rural Development / Community Development	No	Gujarat	Dahod	5.00	No	Shri Maruti Gramya Vikas Trust	CSR00021458
17	Rural livelihood programs	Rural Development / Community Development	Yes	Gujarat	Vadodara	5.00	No	Bhasha Research and Publication Centre	CSR00006659
18	Medical Infrastructure	Promoting Health Care Including Preventive Health Care	Yes	Gujarat	Vadodara	4.93	Yes	-	-
19	Renovation work at Police Station, Manjusar	Rural Development / Community Development	Yes	Gujarat	Vadodara	2.30	Yes	-	-
20	Renovation work at Police Station, Manjusar	Rural Development / Community Development	Yes	Gujarat	Vadodara	1.62	Yes	-	-
21	Renovation work at Police Station, Manjusar	Rural Development / Community Development	Yes	Gujarat	Vadodara	0.34	Yes	-	-
Total						89.20			

d. Amount spent in Administrative Overheads: NIL

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the Financial Year (b+c+d): INR 137.98 Lacs

e. Excess amount for set off, if any

(INR in Lacs)

SI No.	Particulars	Amount
i.	Two percent of average net profit of the company as per section 135(5)	133.46
ii.	Total amount spent for the Financial Year	137.98
iii.	Excess amount spent for the financial year [(ii)-(i)]	4.52
iv.	Surplus arising out of the CSR projects or programme's or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.52

9. a. Details of the unspent CSR amount for the preceding three financial years:

(INR in Lacs)

Sl. No.	Preceding financial year	Amount transferred to the Unspent CSR Account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of Transfer	
NIL							

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

Sl No.	Project ID	Name of Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project - completed/ ongoing
NIL								

10. Details relating to the creation or acquisition of capital asset through CSR spent in the financial year:

Sl. No.	Particulars	Name of Asset
1.	Date of creation or acquisition of the capital asset(s)	-
2.	Amount of CSR spent for creation or acquisition of the capital asset	-
3.	Details of the entity or public authority or beneficiary under whose name such capital asset(s) is are registered, their address, etc	-
4.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	-

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).

As at the end of financial year 2021-22, the amount of INR 24.39 Lacs remained unspent pursuant to an ongoing project. This amount is transferred by the Company on April 27, 2022, to a special account opened by the Company with HDFC Bank Limited called the Unspent Corporate Social Responsibility Account. Further, the amount transferred to unspent CSR Account was completely spent towards the ongoing project and the said project stands completed.

For and on behalf of the Board

Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal

Chairman & Managing Director

DIN: 00139199

Navdeep Naresh Goyal

Chairman CSR Committee

DIN: 02604876

Place: Vadodara

Date: June 28, 2022

Annexure II to Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To,
The Members
Chemcon Speciality Chemicals Limited
Block No. 355, Manjusar-Kunpad Road,
Manjusar Village, Taluka Savli,
Vadodara 391775, Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chemcon Speciality Chemicals Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Chemcon Speciality Chemicals Limited books, papers, minute 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 that is to say from 1st April, 2021 to 31st March, 2022 (hereinafter referred to as 'Audit Period' or 'Period under Review') 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:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) 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 and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities)

Regulations, 2021; **(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, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) other laws as may be applicable specifically to the Company are as follows:
- (a) The Explosives Act, 1884 and the Rules made thereunder;
 - (b) The Boilers Act 1923 and the Rules made thereunder;
 - (c) The Environment (Protection) Act, 1986 and the Rules made thereunder; and
 - (d) The Factories Act, 1948 and the Rules made thereunder.

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 Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that the Company has undertaken the Directors and Officers insurance under Regulation 25(10) of the Listing Regulations from 06-04-2022.*

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 Period under Review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven 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.

Dissenting members' views were not required to be captured and recorded as part of the minutes of Board Meetings and Committee Meetings as there was no such instance.

We further report that based on the review of systems and processes adopted by the Company and the certificate for compliance of various applicable laws submitted by the Company Secretary and other officials of the Company on quarterly basis and placed before the meeting of Board of Directors and which were taken on record by the Board of Directors, 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 based on the information and representation provided by the Company during the audit period the Company received a notice dated 9th September, 2021 from Gujarat Pollution Control Board (GPCB) directing closure of operations of manufacturing plant situated at Manjusar, Vadodara under Environmental (Protection) Act for the violations of the Hazardous & Other Waste (Management & Transboundary Movement) Rules- 2016 with immediate effect. Upon application for revocation made by the Company, GPCB, vide its revocation order dated October 22, 2021, granted temporary revocation of closure directions issued to the company for three months' subject to compliance of conditions as stated in the said order. Subsequently, the Company made representation before GPCB for a permanent revocation of the closure order and GPCB granted permanent revocation of closure order on 19th May, 2022.

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

For Kuldeep Bengani & Associates LLP
Company Secretaries

Kuldeep Bengani
Partner

FCS No. :8049

C P No.: 8372

UDIN: F008049D000508582

Place: Hyderabad

Date: 20/06/2022

Annexure A

To,
The Members,
Chemcon Speciality Chemicals Limited
Block No.355, Manjusar Kunpad Road,
Manjusar Village, Taluka Savli,
Vadodara 391775, Gujarat

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Our Audit was based on examination, in physical or electronic form, as feasible under the prevailing circumstances, of books and records maintained by the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
6. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Kuldeep Bengani & Associates LLP
Company Secretaries

Kuldeep Bengani
Partner

FCS No. :8049

C P No.: 8372

UDIN: F008049D000508582

Place: Hyderabad
Date: 20/06/2022

Annexure III to Director's Report

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013

PART (A) – Disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended March 31, 2022:

Name	Number of Times	
	If total remuneration of the Director, excluding variable pay, is considered	If total remuneration of the Director is considered
Chairman and Managing Director		
Kamalkumar Rajendra Aggarwal	22.82	170.19
Deputy Managing Director		
Navdeep Naresh Goyal	34.23	181.60
Whole-time Director and Chief Financial Officer		
Rajesh Chimanlal Gandhi	14.83	14.83
Whole-time Director		
Himanshu Prafulchandra Purohit	14.83	14.83
Rajveer Kamal Aggarwal	11.41	11.41
Independent Director		
Lalit Devidutt Chaudhary	N.A.	N.A.
Devendra Raj Kumar Mangla	N.A.	N.A.
Neelu Atulkumar Shah	N.A.	N.A.
Bharat Chunilal Shah	N.A.	N.A.
Samir Chandrakant Patel	N.A.	N.A.

Independent Directors were in receipt of sitting fees only. There has been no change in the payment criteria for remuneration to Independent Directors. Sitting Fees paid to the Directors has not been considered as remuneration.

- ii. The % increase in remuneration of Director, CFO, CS or Manager if any for the financial year ended March 31, 2022:

Name	% Increase over last FY
Chairman and Managing Director	
Kamalkumar Rajendra Aggarwal	23.45%
Deputy Managing Director	
Navdeep Naresh Goyal	21.66%

Whole-time Director and Chief Financial Officer	
Rajesh Chimanlal Gandhi	18.18%
Whole-time Director	
Himanshu Prafulchandra Purohit	18.18%
Rajveer Kamal Aggarwal	0.00%
Company Secretary	
Shahilkumar Maheshbhai Kapatel	49.09%
Independent Director	
Lalit Devidutt Chaudhary	N.A.
Devendra Raj Kumar Mangla	N.A.
Neelu Atulkumar Shah	N.A.
Bharat Chunilal Shah	N.A.
Samir Chandrakant Patel	N.A.

- iii. The % increase in the median remuneration of employees during the financial year ended March 31, 2022:

There was an increase of 2.69% in the median remuneration of employees during the financial year ended March 31, 2022:

- iv. The number of permanent employees on the rolls of the Company as on March 31, 2022:

There were 207 permanent employees on the rolls of the Company as on 31st March, 2022.

- v. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with 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 percentile increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. financial year 2021-22 was 11.40 % whereas the increase/decrease in managerial remuneration for the financial year 2021-22 was 21.39%.

Justification: Increase in remuneration of the Managing Director and Whole time Directors is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. However, during the financial year 2021-22, the variable pay was significantly higher leading to increase in total remuneration.

- vi. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

PART (B) - Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2022:

i. Details of Top Ten Employees in terms of Remuneration drawn during the financial year ended March 31, 2022:

Sr. No.	Name of Employee	Designation	Remuneration (Rs. In Lacs)	Nature of Employment	Qualification	Experience in Years	Date of commencement of Employment	Age in Years	The Last Employment held before joining the Company	% of Equity share held
1	Kamalkumar Rajendra Aggarwal	Chairman and Managing Director	358.00	Permanent	Diploma in petrochemical technology (plastic technology)	26	19/01/2004	59	First Employment	#27.81%
2	Navdeep Naresh Goyal	Deputy Managing Director	382.00	Permanent	Higher secondary examinations	11	01/04/2015	32	First Employment	#23.50%
3	Rajesh Chimanlal Gandhi	Whole-time Director and Chief Financial Officer	31.20	Permanent	Bachelor's degree in commerce	23	19/01/2004	51	First Employment	NIL
4	Himanshu Prafulchandra Purohit	Whole-time Director	31.20	Permanent	Master's degree in science in inorganic chemistry	23	19/01/2004	48	First Employment	NIL
5	Rajveer Kamal Aggarwal	Whole-time Director	24.00	Permanent	Bachelor's degree in chemical engineering	6	01/10/2017	26	First Employment	6.91%
6	Pramod Laxman Mokhal	Manager Production	16.60	Permanent	BE - Chemical	19	01/01/2014	47	Paushak Ltd.	NIL
7	Ashish Babubhai Luhar	Manager Production	16.10	Permanent	B.SC. - Chemical, M.SC. - Chemical	26	05/08/2011	47	Cadila Healthcare Ltd.	NIL
8	Ajaykumar Harishchandra Mehta	Manager Purchase	15.29	Permanent	Diploma - Electrical	19	04/01/2003	49	First Employment	NIL
9	Jalpa Maneklal Chauhan	Manager Marketing	14.56	Permanent	BCA, MBA - Marketing	12	08/04/2015	33	Prakash Chemicals International Private Ltd.	NIL
10	Priyank Kaushikbhai Soni	Manager EHS	14.42	Permanent	B.SC. - Chemical, PDIS & PDETM	22	02/01/2015	44	Anchor Electricals Pvt. Ltd. (Panasonic Group)	NIL

Include Joint Holding

- ii. Disclosure of relation of employee with director or manager of the Company:

Mr. Kamalkumar Rajendra Aggarwal is father of Mr. Rajveer Kamal Aggarwal. No other employee is related with any director or manager of the Company.

- iii. Details of every Employee, who was employed throughout the Financial Year, was in receipt of Remuneration for that year which, in the aggregate, was not less than One Crore and Two lakh Rupees:

No other employee was in receipt of remuneration, in the aggregate, of One Crore and Two lakh Rupees or more except from those already disclosed in point i. above.

- iv. Details of every Employee, who was employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh fifty thousand Rupees per Month: **Not Applicable**

- v. Details of every Employee, who was employed throughout the Financial Year or part thereof, was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent of the Equity Shares of the Company: **Not Applicable**

- vi. Details of Employees posted and working in a country outside India, not being Directors or their relatives, drawing more than Sixty lakh Rupees per Financial Year or Five lakh Rupees per month, as the case may be during the Financial Year 2021-22: **Not Applicable**

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
Chairman & Managing Director
DIN: 00139199

Place: Vadodara
Date: June 28, 2022

Annexure IV to Director's Report

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1.	Corporate Identity Number of the Company	L24231GJ1988PLC011652
2.	Name of the Company	Chemcon Speciality Chemicals Limited
3.	Registered Office Address	Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka:Savli, Dist: Vadodara – 391775
4.	Website	www.cscpl.com
5.	E-mail -Id	investor.relations@cscpl.com
6.	Financial Year reported	Financial Year 2021-22
7.	Sector(s) that the Company is engaged in industrial activity code-wise)	Manufacturing of Specialised Chemicals NIC 20119 - Manufacture of organic and inorganic chemical compounds
8.	List of three key products that the Company manufactures (as per Balance sheet)	(1) Hexamethyl Disilazane (HMDS) (2) Chloromethyl Isopropyl Carbonate (CMIC) (3) Calcium Bromide Liquid
9.	Total number of locations where business activity is undertaken by the Company	<p>The Company have eight operational plants:</p> <ul style="list-style-type: none"> • Three plants are dedicated for the manufacturing of HMDS and ancillary products (including one plant dedicated to the manufacturing of hi-purity HMDS) • Two plants are dedicated for the manufacturing of CMIC • Two plants are dedicated for the manufacturing of Oilwell Completion Chemicals. • The commercial production in plant 8 was commenced in February 2022 with manufacturing of Trimethylsilyl Chloride. This plant is dedicated for manufacturing of Trimethylsilyl Chloride and CMIC. <p>The Company owns six warehouses for the storage of the products and raw materials. All the above plants and warehouses are located at Manjusar, Vadodara.</p> <p>Further, the Company had three leased warehouses located outside the Manufacturing Facility, in Manjusar, Vadodara out of which one warehouse was vacated with effect from May 31, 2022.</p> <p>The Corporate Office of the Company is owned by the Company and is located in Vadodara and sales and marketing office of the Company is located at Hyderabad, which is on a leasehold basis.</p>

10.	Markets served by the Company	The Company supply its products to domestic customers and also export its products to countries including United States of America, Italy, South Korea, Germany, People's Republic of China, Japan, United Arab Emirates, Serbia, Russia, Spain, Thailand and Malaysia.
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SECTION B: FINANCIAL DETAILS OF THE COMPANY:

1.	Paid up Capital (INR)	3,663.07 Lacs
2.	Total Turnover (INR)	25,711.11 Lacs
3.	Profit After Taxes (INR)	6,275.66 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	Company's total spending on CSR for the Financial Year 2021-22 is 113.59 Lacs which is 1.81% of Profit After Tax.
5.	List of activities in which expenditure in 4 above has been incurred	a) Woman Empowerment b) Rural Development c) Promoting Education d) Healthcare e) Eradicating Hunger

SECTION C: OTHER DETAILS:

1.	Does the Company have any Subsidiary Company/ Companies?	No. The company does not have any subsidiaries.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable.
3.	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION:

1. Details of Director/Directors Responsible for Business Responsibility:

A.	Details of the Director/Directors responsible for implementation of the Business Responsibility Policy	a.	DIN	00139199
		b.	Name	Kamalkumar Rajendra Aggarwal
		c.	Designation	Chairman & Managing Director

B.	Details of the Business Responsibility Head	a.	DIN	00139199
		b.	Name	Kamalkumar Rajendra Aggarwal
		c.	Designation	Chairman & Managing Director
		d.	Telephone No.	+91 265 2981195
		e.	Email ID	investor.relations@cscpl.com

2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/Policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs is articulated in the form of Nine Principles with the Core Elements to actualize each of the principles. These principles are as follows:



(a) Details of Compliances:

Sr. No.	Question(s)	Business Ethics	Product Sustainability	Employees Wellbeing	Stakeholder Engagement	Human Rights	Environment and Safety	Responsible Advocacy	CSR	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	N	N	N	N	N	N
3.	Does the policy conform to any national / international standards? If yes, specify?	Yes. The policy is based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs								
4.	Has the policy being approved by the Board? if yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.cscpl.com/policies.php								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:
 (Tick up to 2 options):

Sr. No.	Question(s)	Business Ethics	Product Sustainability	Employees Wellbeing	Stakeholder Engagement	Human Rights	Environment and Safety	Responsible Advocacy	CSR	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Not Applicable

3. Governance related to Business Responsibility:

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year:	The Board shall assess the Business Responsibility Performance of the Company on Annual Basis.
b.	Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. Business Responsibility Report forms the part of the Board Report of the Company and is published Annually. The same can be accessed at the website of the Company, at, https://www.cscpl.com/annual-report.php

SECTION E: PRINCIPLE-WISE PERFORMANCE:**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	<p>Yes, the policy relating to ethics, bribery and corruption cover only the Company, the directors and employees of the Company and all its functions and its plants.</p> <p>No, it does not extend to the Group/ Joint Venture/ Suppliers, etc. However, the Company encourages all the stakeholders associated with it to follow the principles envisaged in the policy.</p>
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2021-22.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	<p>(1) Hexamethyl Disilazane (HMDS)</p> <p>(2) Chloromethyl Isopropyl Carbonate (CMIC)</p> <p>(3) Calcium Bromide Liquid</p>
2.	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?</p> <p>b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. During the financial year 2021-22, the Company has initiated the installation of solar power plant of 2.1 MW (DC) for conversion of renewable energy from sunlight into electricity to reduce the usage of non-renewable energy.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company always endeavor for sustainable sourcing by giving preference to local vendors. The Company strive to source the manpower, raw material suppliers, transporters and other vendors locally to the extent possible.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	While the criteria for selection of goods and services is quality, reliability and price, the Company gives preference to the local and small manufacturers and service providers located. The Company provides feedback to them to improve the quality of their goods and services and enhance their capacity and capability.

5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The manufacturing processes of the products of the Company creates zero waste hence, the requirement to recycle the waste does not arise.
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Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	The Company had 207 permanent employees as on March 31, 2022.		
2.	Total number of employees hired on temporary/contractual/casual basis	Total number of employees hired on temporary / contractual / casual basis during the Financial Year 2021-22 is 150.		
3.	Number of permanent women employees.	The Company had 4 permanent women employees as on March 31, 2022.		
4.	Number of permanent employees with disabilities	The Company had 1 permanent employees with disabilities as on March 31, 2022.		
5.	Do you have an employee association that is recognized by management	No, the Company does not have any employee association.		
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable.		
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the Financial Year:			
	Sr. No.	Category	No. of Complaints filed during the financial year	No of Complaints pending as at the end of financial year
	1.	Child Labour / Forced Labour / Involuntary Labour	-	-
	2.	Sexual Harassment	-	-
	3.	Discriminatory Employment	-	-
8.	Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?			
	Sr. No.	Employees Category	Employees imparted safety training	Employees imparted skill up-gradation training
	a.	Permanent Employees	87%	87%
	b.	Permanent Women Employees	-	-
	c.	Casual/Temporary/Contractual Employees	-	-
	d.	Employees with Disabilities	100%	100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1.	Has the Company mapped its internal and external stakeholders?	Yes, the Company has mapped its internal and external stakeholders in an organized way and it carries out various engagements with its stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The Company has undertaken various programmes under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	The Company works towards the upbringing and betterment of disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities.

Principle 5: Businesses should respect and promote Human Rights

1.	Does the policy of the Company on Human Rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company follows its policy on Human Rights which are applicable to the Company. The Company is committed to the fundamental principles of human rights in all its operations.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints related to Human Rights during the Financial Year 2021-22.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others	The policy related to Principle 6 covers only to the Company and its employees at all its offices and plant locations.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	The Company consciously conducts their activity which helps in preserving the environment and health of the society at large. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, re-cycling of products, wastewater discharges, solid and hazardous waste material handling, worker health and safety, developing required green belt around its plant and the investigation and remediation of contamination or other environmental restoration and it takes all such steps for conservation, enhancement and restoration of Bio-Diversity within its area of operations and ensure protection of species and flora and fauna and reduce the impact on Environment Bio- Diversity and climate change.

3.	Does the Company identify and assess potential environmental risks?	Yes. The Company identifies and assess potential environmental risk relating to its business, if any.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No project was undertaken by the Company related to Clean Development Mechanism during the Financial Year 2021-22.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company is continuously improving its energy efficiency and environmental Performance. During the financial year 2021-22, the Company has initiated the installation of solar power plant for green and renewable energy.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The effluents, emissions and wastes generated at the manufacturing facilities of the Company are within the permissible limits given by respective Pollution Control Board.
7.	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of financial year.	The Company received a communication from Gujarat Pollution Control Board (GPCB) in September 2021, directing to close the operations at Company's manufacturing plant. Further, GPCB granted temporary revocation of 3 months to the closure order in October 2021. GPCB issued order for permanent revocation for the closure order in May 2022 and the subject matter was satisfactorily resolved.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is the Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.	Yes, the Company is a member of the following chambers/ associations: 1. Chemexil 2. Federation of Gujarat Industries
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company supports the initiatives taken by above association in their endeavor for the advancement or improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Yes. The Company has adopted the CSR policy pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The details of the CSR projects undertaken by the Company is provided in the Annexure-I to the Directors Report
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2.	Are the programmes/projects undertaken through /own foundation/ external NGO/government structures/ any other organization?	Some of the programmes/projects are undertaken directly by the Company and some through implementing agency.
3.	Have you done any impact assessment of your initiative?	No. The company has not carried out impact assessment of the CSR initiatives as the same is not applicable.
4.	What is your Company's direct contribution to community development projects amount in INR and the details of the project undertaken?	The Company has spent 113.59 Lacs on various CSR initiatives during the financial year 2021-22, detailed in Annexure-I to the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Initiatives conducted under CSR are tracked to determine the benefits achieved for the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	No customer complaints/ consumer cases were received or are pending as on the end of the Financial Year 2021-22.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	The Company displays product information on the product label as mandated by the law.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at end of Financial Year? If so, provide details thereof, in about 50 words or so.	No such cases were filed by any stakeholder.
4.	Did the Company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
Chairman & Managing Director
DIN: 00139199

Place: Vadodara
Date: June 28, 2022

Annexure V to Director's Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members
Chemcon Speciality Chemicals Limited
Block No. 355, Manjusar Kunpad Road,
Manjusar Village, Taluka Savli,
Vadodara 391 775, Gujarat

We have examined the compliance of conditions of Corporate Governance by **Chemcon Speciality Chemicals Limited** ('the Company') for the year ended March 31, 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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

This certificate 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.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations *except that the Company has undertaken the Directors and Officers insurance under Regulation 25(10) of the Listing Regulations from 06-04-2022.*

For Kuldeep Bengani & Associates LLP
Company Secretaries

Kuldeep Bengani
Partner
FCS No. :8049
C P No.: 8372
UDIN: F008049D000510881

Place: Hyderabad
Date: 20/06/2022

Annexure VI to Director's Report

Disclosures of particulars with respect to conservation of energy, technology absorption and 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 as under:

A. CONSERVATION OF ENERGY:

The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company is committed to transform energy conservation into a strategic business goal along with the technological sustainable development of Energy Management Systems. It is making best endeavours to reduce energy consumption in all its operations and activities.

i. To achieve the above objectives the following steps are being undertaken by the Company:

- a. Continuous monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization, etc. on regular basis.
- b. Increasing the awareness of energy saving within the organization to avoid wastage of energy.
- c. We have installed LEDs across all our plants.
- d. Installing energy efficient equipment's to ensure optimum utilisation of energy.
- e. Initiated the installation of solar power plant for green energy.

ii. **Steps taken by the Company for utilising alternate sources of energy:** The Company has initiated the installation of solar power plant of 2.1 MW (DC) for conversion of renewable energy from sunlight into electricity.

iii. **Capital investment on energy conservation equipment:** During the financial year 2021-22, the Company has made capital investment of INR 743.13 lacs towards solar power plant of 2.1 MW (DC) which is likely to be commissioned by the end of second quarter of financial year 2022-23.

B. TECHNOLOGY ABSORPTION:

1.	Efforts in brief made towards technology absorption, adoption and innovation.	The Company upgraded many of its processes and operations by embracing new technology, using more efficient equipment and automation.
2.	Benefits derived as a result of the above efforts. e.g. product improvement, cost reduction, development, import substitution etc.	The above efforts have resulted in improvement in quality, increase in yield, and increase in output and decrease in manpower.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year)	The Company did not import any technology.
4.	The expenditure incurred on Research and Development	FY 2021-2022 (INR In Lacs)
	a. Capital	6.02
	b. Recurring	0.00
	c. Total	6.02
	d. Total R&D expenditure as a percentage of total sales.	0.02%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(INR In lacs)	
Total foreign exchange earnings and outgo	FY 2021-2022
a. Total foreign exchange outgo in terms of actual outflows	4,806.85
b. Total foreign exchange earned in terms of actual inflows	5,708.58

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
Chairman & Managing Director
DIN: 00139199

Place: Vadodara
Date: June 28, 2022

Corporate Governance Report

For the financial year ended March 31, 2022

The Board present the Company's Report on Corporate Governance for the financial year ended March 31, 2022. This section on Corporate Governance forms part of the Annual Report to the members. This report is given in terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Chemcon Speciality Chemicals Limited, Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. We maximize shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct.

We aim at providing complete transparency in our operations. We also believe that Corporate Governance is not simply a matter of creating checks and balances; it is about maintaining a valuable relationship and trust with all stakeholders.

2. BOARD OF DIRECTORS:

(i) Composition and Category of Directors

The Members of the Board of Directors of the Company are eminent personalities from various fields who bring in a wide range of skills and experience to the Board and they are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company has an engaged and well-informed Board with qualifications and experience in diverse areas.

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors including an Independent Woman Director. The Board of Directors as on financial year ended on March 31, 2022, comprised of Nine (09) Directors, out of which five (5) were Executive Directors and four (4) Independent Directors. The Chairman of the Company is an Executive Director.

As on March 31, 2022, the Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ('the Act') and the members on the Board are classified and categorized as under:

Sr. No.	Category	Name of Director
i.	Promoter and Executive Directors	Kamalkumar Rajendra Aggarwal <i>Chairman & Managing Director</i> Navdeep Naresh Goyal <i>Deputy Managing Director</i>

Sr. No.	Category	Name of Director
ii.	Other Executive Directors	Rajesh Chimanlal Gandhi <i>Whole-time Director and Chief Financial Officer</i> Himanshu Prafulchandra Purohit <i>Whole-time Director</i> Rajveer Kamal Aggarwal <i>Whole-time Director</i>
iii.	Non-Executive and Independent Directors	Neelu Atulkumar Shah Lalit Devidutt Chaudhary Samir Chandrakant Patel Bharat Chunilal Shah Devendra Rajkumar Mangla (Resigned w.e.f. 17-02-2022)

(ii) Board Meetings:

During the Financial Year 2021-22, Six (06) Board Meetings were held on April 09, 2021, May 31, 2021, August 09, 2021, September 16, 2021, October 28, 2021, and February 07, 2022. The maximum gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of Listing Regulations, Section 173 of the Companies Act, 2013 and Secretarial Standard on Meeting of the Board of Directors.

The details of attendance of Directors at the Board Meetings held during the Financial Year 2021-22 and at the previous Annual General Meeting (32nd AGM of the Company), number of Directorships and Committee positions as on March 31, 2022, and the Number of Shares held in the Company by the Directors as on March 31, 2022, is as under:

Name of the Director	No. of Board Meeting which the Director was entitled to attain	No. of Board Meetings Attended	Attendance at Last AGM	No. of Directorship in Board of Directors (Including position in this Company)		No. of Membership / Chairmanship in Committees (Including position in this Company)		Number of Shares held in the Company
				Member	Chairperson	Member	Chairperson	
Mr. Kamalkumar Rajendra Aggarwal	6	6	Yes	*2	1	1	-	**1,01,87,080
Mr. Navdeep Naresh Goyal	6	4	Yes	1	-	-	-	***86,08,166
Mr. Rajesh Chimanlal Gandhi	6	5	Yes	2	-	1	-	-
Mr. Himanshu Purohit	6	6	Yes	1	-	-	-	-
Mr. Rajveer Aggarwal	6	5	Yes	2	-	-	-	25,32,800
Ms. Neelu Shah	6	6	No	1	-	1	-	-
Mr. Lalit Chaudhary	6	1	No	1	-	1	-	-
Mr. Samir Chandrakant Patel	6	3	Yes	1	-	1	-	-
Mr. Bharat Shah	6	1	Yes	1	-	*2	2	-
Mr. Devendra Rajkumar Mangla (Resigned w.e.f. 17-02-2022)	6	1	No	1	-	-	-	-

Note:

- a. Number of Directorships held by Directors as mentioned above excludes Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013, membership of Managing Committee of various chambers/bodies and alternate directorships and includes directorship of Chemcon Speciality Chemicals Limited.
- b. In accordance with the provisions of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all Listed and Unlisted Public Companies including Chemcon Speciality Chemicals Limited have been Considered.
- c. *The number of memberships mentioned above includes the number of chairmanships, as a chairperson is deemed to be a member.
- d. **Includes 5,10,000 Equity Shares which are jointly held by Mr. Kamalkumar Aggarwal, first holder and Mr. Rajveer Aggarwal, Second holder.
- e. ***Includes 62,33,500 Equity Shares which are jointly held by Navdeep Naresh Goyal, first holder and Shubharangana Goyal, Second holder.

Name(s) of the listed entities where the Directors of the Company are Directors and the category of Directorship:

Name of Director	Name of Listed Entity	Category of Directorship
Mr. Kamalkumar Rajendra Aggarwal	Chemcon Speciality Chemicals Limited	Promoter, Chairman & Managing Director
Mr. Navdeep Naresh Goyal	Chemcon Speciality Chemicals Limited	Promoter & Deputy Managing Director
Mr. Rajesh Chimanlal Gandhi	Chemcon Speciality Chemicals Limited	Whole-time Director and Chief Financial Officer
Mr. Himanshu Purohit	Chemcon Speciality Chemicals Limited	Whole-time Director
Mr. Rajveer Aggarwal	Chemcon Speciality Chemicals Limited	Whole-time Director
Ms. Neelu Shah	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Lalit Chaudhary	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Samir Chandrakant Patel	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Bharat Shah	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Devendra Rajkumar Mangla (Resigned w.e.f. 17-02-2022)	Chemcon Speciality Chemicals Limited	Independent Director

(iii) Disclosure of relationships between Directors inter-se:

Mr. Kamalkumar Rajendra Aggarwal, Promoter, Chairman & Managing Director of the Company is the father of Mr. Rajveer Aggarwal, Whole-time Director of the Company. No other Director of the Company is related to any other Director of the Company.

(iv) Board Procedure:

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and ensure meaningful participation in the meetings.

Department heads communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board Meetings. The detailed agenda as approved by the Chairman together with the relevant attachments are circulated amongst the Directors in advance. Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of chairman and majority of the Directors.

In addition to above, the Company places all the required information before the Board from time to time in compliance with Regulation 17(7) and Part A of Schedule II of the Listing Regulations.

(v) Independent Directors:

The Independent Directors of the Company have been appointed in terms of requirements of the Act and Listing Regulations. The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision.

Based on the disclosures received from the Independent Directors, the Board of Directors of the Company confirms that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the management.

During the financial year ended March 31, 2022, Mr. Devendra Rajkumar Mangla (DIN: 08421613) resigned from the Board of the Company as Independent Director with effect from February 17, 2022, due to personal reasons and other business commitments. Mr. Devendra Rajkumar Mangla in his resignation letter had mentioned and confirmed that there is no other material reason for his resignation other than that provided in the letter. The Board appointed Mr. Pradeep Vishambhar Agrawal (DIN: 00048699), as an Additional Director (Non-Executive & Independent) on the Board of the Company with effect from April 28, 2022, to occupy the seat of Independent Director vacated by Mr. Devendra Rajkumar Mangla.

(vi) Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors have carried out annual performance evaluation of the Board as a whole, Board Committees, Individual Directors and Independent Directors on the basis of criteria laid down in Performance Evaluation Policy of the Company.

The performance of Independent Directors, Non-executive Directors, Executive Directors, Whole-time Directors, Managing Directors and Chairperson was evaluated by all the members of the Nomination and Remuneration Committee (other than the member evaluating) on the basis of criteria laid down in Performance Evaluation Policy.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held to evaluate the performance of the Chairperson, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their meeting was noted by the Board.

(vii) Familiarisation program for Independent Directors:

The Company has formulated various programmes for familiarising 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, global business environment, business strategy and risks involved etc. The details of familiarisation programmes imparted to Independent Directors is available on the Company's website at <https://www.cscpl.com/other-shareholder-information.php>

(viii) Skills / Expertise / Competencies of the Board of Directors:

The Board comprises distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees. The details of core skills, expertise and competence identified by the Board of Directors required in the context of Company's Business and Sectors and Directors who have such skills, expertise and competence are as follows:

Sr No.	Nature of Skills / Expertise / Competencies	Mr. Kamal Aggarwal	Mr. Navdeep Goyal	Mr. Rajesh Gandhi	Mr. Himanshu Purohit	Mr. Rajveer Aggarwal	Ms. Neelu Shah	Mr. Lalit Chaudhary	Mr. Samir Patel	# Mr. Devendra Mangla	Mr. Bharat Shah
1.	Industry Knowledge:										
	Knowledge on Company's Businesses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Policies and Culture (Including the Mission, Vision and Values of the Company)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Major risks / threats and potential opportunities and knowledge of the industry in which the Company operates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Behavioral Competencies/ Personal Attributes:										
	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Strategic Expertise:										
	Business Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
	Sales & Marketing	✓	✓	-	-	✓	✓	✓	✓	✓	-
	Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Forex Management	✓	✓	✓	-	✓	-	-	-	-	✓
	Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Decision Making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sr No.	Nature of Skills / Expertise / Competencies	Mr. Kamal Aggarwal	Mr. Navdeep Goyal	Mr. Rajesh Gandhi	Mr. Himanshu Purohit	Mr. Rajveer Aggarwal	Ms. Neelu Shah	Mr. Lalit Chaudhary	Mr. Samir Patel	# Mr. Devendra Mangla	Mr. Bharat Shah
4.	Technical Skill:										
	Financial and Management skills	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Legal expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technical / Professional skills and specialized	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Other Skills:										
	Decision making skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Communication skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Leadership skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Stakeholder Relations	✓	✓	✓	-	✓	-	-	-	-	-
	Risk Management Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Mr. Devendra Mangla resigned w.e.f. 17-02-2022.

3. COMMITTEES OF BOARD OF DIRECTORS:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulation which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The minutes of the meeting of all Committees are placed before the Board for review from time to time.

The Board has established the following Committees:

(A) Audit Committee:

(i) Composition of Audit Committee:

The Company's Audit Committee comprises Mr. Bharat Shah as the Chairperson and Ms. Neelu Shah, Mr. Samir Chandrakant Patel and Mr. Kamalkumar Rajendra Aggarwal as members of the Committee.

The Committee's composition meets with requirements of Section 177 of the Act and Listing Regulations. All members of the Audit Committee are financially literate and at least one member possesses accounting and related financial management expertise.

The Company Secretary of the Company acts as a Secretary to the Audit Committee. The Audit Committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the audit committee and recommended to the board for its adoption.

(ii) Powers of Audit Committee:

The Audit Committee shall have the authority to investigate into any matter in relation to the items specified its terms of reference or such other matter as may be referred to it by the Board and for

this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Company and seek information from any employee of the Company.

Further, the Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (f) Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
- (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

(iii) Brief Description of Terms of Reference of the Audit Committee:

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter-alia, performs the following functions:

- (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;

- v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
 - (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
 - (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
 - (k) Scrutiny of inter-corporate loans and investments;
 - (l) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (m) Evaluation of internal financial controls and risk management systems;
 - (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (p) Discussion with internal auditors of any significant findings and follow up there on;
 - (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
 - (u) To review the functioning of the whistle blower mechanism;
 - (v) Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
 - (w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

- (x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (aa) Reviewing the utilization of loans and/or advances from/investment by the company in a subsidiary exceeding rupees 100 crore or 10% of the asset size of such subsidiary, whichever is lower.

(iv) Meetings of Audit Committee and Attendance thereat:

During the financial year 2021-22, the Audit Committee met four (4) times i.e. on May 31, 2021, August 09, 2021, October 28, 2021, and February 07, 2022. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	May 31, 2021	August 09, 2021	October 28, 2021	February 07, 2022
Mr. Bharat Shah	Chairman	-	✓	✓	✓
Ms. Neelu Shah	Member	✓	✓	✓	✓
Mr. Samir Patel	Member	✓	-	-	-
Mr. Kamal Aggarwal	Member	✓	✓	✓	✓

(B) Nomination and Remuneration Committee:

(i) Composition of Nomination and Remuneration Committee:

Pursuant to Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination & Remuneration Committee. The Company's Nomination and Remuneration Committee comprises Mr. Lalit Chaudhary as the Chairperson and Ms. Neelu Shah and Mr. Bharat Shah as members of the Committee. All the members of the Committee are Non-Executive Directors, and the chairperson is an Independent Director.

(ii) Brief Description of Terms of Reference of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures. The role of Nomination and Remuneration Committee, inter-alia, includes:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to

the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (k) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.
- (l) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(iii) Meetings of Nomination and Remuneration Committee and Attendance thereat:

During the financial year 2021-22, the Nomination and Remuneration Committee met two (2) times i.e. on May 29, 2021, and October 28, 2021. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	May 29, 2021	October 28, 2021
Mr. Lalit Chaudhary	Chairman	✓	✓
Ms. Neelu Shah	Member	✓	✓
Mr. Bharat Shah	Member	-	-

(iv) Performance evaluation criteria for Independent Directors:

Performance evaluation of Independent Directors is done by the entire Board, excluding the Independent Director being evaluated, on the basis of following evaluation criteria:

- (a) Participation at Board/Committee Meetings
- (b) Managing Relationship
- (c) Knowledge and Skill
- (d) Personal Attributes and
- (e) Ethical Standards of Integrity and Probity.

(C) Stakeholders' Relationship Committee:**(i) Composition of Stakeholders' Relationship Committee:**

The Board of Directors of the Company constituted a Stakeholders' Relationship Committee in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 20 of the Listing Regulations. The Stakeholders' Relationship Committee comprises Mr. Bharat Shah as the Chairperson and Mr. Rajesh Chimanlal Gandhi and Mr. Lalit Chaudhary as members of the Committee.

Mr. Bharat Shah, chairperson of the Committee, is a non-executive Independent Director of the Company.

(ii) Brief Description of Terms of Reference of Stakeholders' Relationship Committee:

The role of Stakeholders' Relationship Committee includes resolving the grievances of shareholders, ensuring expeditious share transfer process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The scope and function of the Stakeholders' Relationship Committee in accordance with Regulation 20 of the Listing Regulations are as follows:

- (a) Redressal and resolving of all security holders' and investors' grievances including complaints related to transfer/transmission of shares, including non-receipt/issue of share certificates/duplicate share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (f) Reviewing the adherence to the service standards adopted by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services; and
- (g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(iii) Meetings of Stakeholders' Relationship Committee and Attendance thereat:

During the financial year 2021-22, the Stakeholders' Relationship Committee met 4 (four) times i.e. on May 31, 2021, August 06, 2021, October 28, 2021 and February 07, 2022. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	May 31, 2021	August 06, 2021	October 28, 2021	February 07, 2022
Mr. Bharat Shah	Chairman	-	-	-	-
Mr. Lalit Chaudhary	Member	✓	✓	✓	✓
Mr. Rajesh Gandhi	Member	✓	✓	✓	✓

(iv) Shareholders' Complaints:

The Company and Link Intime India Private Limited (Registrar & Share Transfer Agent) attend to all the complaints of the Shareholders' promptly. Continuous efforts are being made to ensure that Shareholders' Complaints are expeditiously resolved to the satisfaction of the shareholder.

Details of shareholders' complaints during the Financial Year 2021-22 are as follows:

Number of shareholders' complaints received during the Financial Year	5
Number of complaints resolved during the Financial Year	5
Number of complaints not solved to the satisfaction of shareholders'	0
Number of complaints pending at the end of the Financial Year	0

(v) Name and designation of the Compliance Officer:

Mr. Shahilkumar Kapatel, Company Secretary & Compliance Officer.

(D) Risk Management Committee:

(i) Composition of Risk Management Committee:

Pursuant to SEBI (Listing Obligation and disclosure Requirements) (Second Amendment) Regulations, 2021, the provisions of Regulation 21 of Listing Regulations are applicable to Company w.e.f. May 05, 2021. Accordingly, the Company has duly constituted Risk Management Committee on May 31, 2021, with Mr. Samir Chandrakant Patel as Chairman and Mr. Himanshu Prafulchandra Purohit and Mr. Rajesh Chimanlal Gandhi as Members of the committee.

(ii) Brief Description of Terms of Reference of Risk Management Committee:

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same. The role of the committee, inter alia, include the following:

- (a) To formulate a detailed risk management policy which shall include:
- i. A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related

risks), information, cyber security risks or any other risk as may be determined by the Committee.

- ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - (e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(iii) Meetings of Risk Management Committee and Attendance thereat:

During the financial year 2021-22, the Risk Management Committee met 2 (two) times i.e. on August 06, 2021 and January 18, 2022. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	August 06, 2021	January 18, 2022
Mr. Samir Chandrakant Patel	Chairman	-	✓
Mr. Himanshu Prafulchandra Purohit	Member	✓	✓
Mr. Rajesh Chimanlal Gandhi	Member	✓	✓

(E) Corporate Social Responsibility Committee:

(i) Composition of Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee comprises Mr. Navdeep Naresh Goyal as the Chairperson and Mr. Bharat Shah and Mr. Devendra Kumar Mangla as members of the Committee. Mr. Devendra Kumar Mangla resigned as the Independent Director of the Company and as the member of Corporate Social Responsibility Committee w.e.f. February 17, 2022. Accordingly, the Board appointed Mr. Pradeep Vishambhar Agrawal (DIN: 00048699), as an Additional Director (Non-Executive & Independent) on the Board of the Company and as a member of Corporate Social Responsibility Committee with effect from April 28, 2022.

(ii) Brief Description of Terms of Reference of Corporate Social Responsibility Committee:

The role of Corporate Social Responsibility Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR.

The terms of reference of the Corporate Social Responsibility Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

(iii) Meetings of Corporate Social Responsibility Committee and Attendance thereat:

During the financial year 2021-22, the Corporate Social Responsibility Committee met three (3) times i.e. on May 29, 2021, October 28, 2021 and January 12, 2022. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	May 29, 2021	October 28, 2021	January 12, 2022
Mr. Navdeep Naresh Goyal	Chairman	✓	✓	✓
Mr. Bharat Chunilal Shah	Member	-	-	-
Mr. Devendra Rajkumar Mangla (Resigned w.e.f. 17-02-2022)	Member	✓	✓	✓

4. REMUNERATION OF DIRECTORS:

(i) Pecuniary relationship or transactions of the non-executive Directors with the Company:

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees for attending Board and Committee meetings. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company. Independent Directors are currently entitled for sitting fees of Rs. 10,000/- for attending every Board Meeting and Rs. 5000/- for attending every Committee Meeting.

During the Financial Year the following sitting fees were accrued to the non-executive Directors:

(INR in lacs)

Name of the Director	Designation	Sitting Fees for the Year 2021-22
Ms. Neelu Shah	Independent Director	0.95
Mr. Lalit Chaudhary	Independent Director	0.45
Mr. Samir Chandrakant Patel	Independent Director	0.45
Mr. Bharat Shah	Independent Director	0.25
Mr. Devendra Rajkumar Mangla (Resigned w.e.f. 17-02-2022)	Independent Director	0.30

(ii) Criteria of making payments to non-executive Directors:

The Non-Executive Independent Directors are entitled to sitting fees for attending the meetings and for their valuable contributions to the meetings of the Board and Committees. Sitting fees specified for Non-Executive Independent Directors are within the limits prescribed by the Companies Act, 2013 and as approved by the Board of Directors from time to time on the recommendation by Nomination and Remuneration Committee.

(iii) Remuneration of Executive Directors:

The details of remuneration package of each director summarized under major groups and the details of fixed component and performance linked incentive is as follows:

(INR in Lacs)

Name of the Director	Designation	Salary & Allowances	Bonus	Perquisites	Contribution to Provident Fund	Contribution to Pension Fund	Variable Pay	Total
Mr. Kamalkumar Rajendra Aggarwal	Chairman & Managing Director	48.00	-	-	-	-	310.00	358.00
Mr. Navdeep Naresh Goyal	Deputy Managing Director	72.00	-	-	-	-	310.00	382.00
Mr. Rajesh Chimanlal Gandhi	Whole-time Director and CFO	31.20	-	-	0.22	-	-	31.42
Mr. Himanshu Purohit	Whole-time Director	31.20	-	-	0.22	-	-	31.42
Mr. Rajveer Aggarwal	Whole-time Director	24.00	-	-	-	-	-	24.00

The variable pay is linked to profits of the Company and is computed in the manner laid down in Section 198 of the Act. The performance criteria for the variable pay portion of the Executive Directors comprise of key indicators of Company's Performance such as Sales, EBITDA and PBT.

The Company has not entered into any Service Contract with the Directors and has not made any provision relating to notice period and severance fees.

The Company has not established Stock Options Scheme and has not provided any stock options to Directors.

5. GENERAL BODY MEETINGS:

- (i) Location, date and time of Annual General Meetings held during the last 3 years and the summary of Special Resolutions passed therein are as below:

Financial Year	2020-21
Date of Meeting	September 28, 2021
Time of Meeting	11:00 AM
Venue	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")
Special Resolution Passed	<ol style="list-style-type: none"> 1. Approval of increase in remuneration of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), Whole-Time Director & Chief Financial Officer of the Company 2. Approve increase in remuneration of Himanshu Prafulchandra Purohit (DIN: 03296807), Whole-time Director of the Company
Financial Year	2019-20
Date of Meeting	August 22, 2020
Time of Meeting	04:00 PM
Venue	Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka Savli, Dist. Baroda - 391775, Gujarat
Special Resolution Passed	NIL
Financial Year	2018-19
Date of Meeting	June 14, 2019
Time of Meeting	04:00 PM
Venue	Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka Savli, Dist. Baroda - 391775, Gujarat
Special Resolution Passed	<ol style="list-style-type: none"> 1. Change in Designation of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) to Managing Director 2. Change in Designation of Mr. Navdeep Naresh Goyal (DIN: 02604876) to Wholetime Director 3. Change in Designation of Mr. Rajveer Kamal Aggarwal (DIN: 07883896) to Whole-time Director 4. Re-appointment of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director 5. Re-appointment of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as Whole-time Director 6. Approve power to borrow funds pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, not exceeding ₹ 800 crore 7. Approve the limits under Section 180 (1) (a) of the Companies Act, 2013, up to a sum of ₹ 800 crore 8. Approval of the limits for the loans and investment by the Company in terms of the provisions Section 186 of the Companies Act, 2013 9. Initial Public Offer of Equity Shares through a Fresh Issue of Equity Shares by the Company and an Offer for Sale by certain Shareholder(s) of the Company 10. Increase in investment limits for Non-Resident Indian or Overseas Citizen of India

- (ii) No Extra-Ordinary General Meeting of the Members was held during the financial year 2021- 22.
- (iii) Whether any Special Resolution passed last year through postal ballot and details of voting pattern – No special resolution was passed through postal ballot during the previous financial year.
- (iv) Person who conducted the postal ballot exercise – Not Applicable
- (v) Whether any special resolution is proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.
- (vi) Procedure for Postal Ballot – Not Applicable

6. MEANS OF COMMUNICATION:

(i) Financial Results:

The quarterly, half yearly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in “Business Standard” (English) and “Loksatta Jansatta” (Gujarati) newspapers and posted on the Company’s website at www.cscpl.com.

(ii) Press Release/ Analyst Call:

The official media releases and presentations made to Institutional Investors / Analysts and audio recording of Analyst Calls, and transcripts are posted on the Company’s website and are uploaded on website of BSE and NSE.

7. GENERAL SHAREHOLDER INFORMATIONS:

AGM Date, Time, and Venue	Tuesday, July 26, 2022, at 11:30 am through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) at Vadodara.	
Financial Year	Starting from April 01 to March 31	
Financial Calendar	a. FY 2021-22 - Q4 and Annual Results	On May 26, 2022
	b. FY 2022-23 - Q1 Results	On or before August 14, 2022
	c. FY 2022-23 - Q2 Results	On or before November 14, 2022
	d. FY 2022-23 - Q3 Results	On or before February 14, 2023
Dividend payment date	The Board has not recommended dividend for the year ended March 31, 2022	
Dates of Book Closure	There is no closure of Register of Members and Share Transfer Book of the Company.	

Listing on Stock Exchanges	<p>BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, India</p> <p>National Stock Exchange of India Limited Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, India</p> <p>The Listing fee has been paid to BSE & NSE for the FY 2022-23. Further, the Securities of the Company have not been suspended from trading during the Financial Year 2021-22.</p>
Listing Date	<p>BSE Limited: October 01, 2020</p> <p>National Stock Exchange of India Limited: October 01, 2020</p>
Stock Code / Symbol	<p>BSE Limited: 543233</p> <p>National Stock Exchange of India Limited: CHEMCON</p>
Registrar & Share transfer Agent	<p>Link Intime India Private Limited C-101, 1st Floor, 247 Park, 86 Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India Tel. No.: 022-49186000 Fax No.: 022-49186060 Email: mumbai@linkintime.co.in</p>
Share Transfer System	<p>In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Also, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.</p>
Dematerialisation of Equity Shares and Liquidity	<p>As on March 31, 2022, 100.00% of the total Shares of the Company representing 3,66,30,701 shares were held in dematerialized form through National Securities Depository Limited and Central Depository Services (India) Limited.</p>
Global Depository Receipts / American Depository Receipts / Warrants / Convertible Instruments	<p>The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.</p>
Disclosure for Commodity price risk or foreign exchange risk and hedging activities	<p>During the Financial Year 2021-22, the Company had managed the foreign exchange risk to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 37.2(A)1 to the Financial Statement. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.</p>
Plant Locations	<p>The Company's manufacturing operations are based at Manufacturing Facility located at Manjusar, near Vadodara City in the state of Gujarat. The Manufacturing Facility, comprising of individual operational plants, is located on one plot of land, which is owned by the Company. The Manufacturing Facility comprises of eight individual operational plants, which are dedicated towards the manufacture of specific products.</p>

Credit Ratings	As at the financial year ended March 31, 2022, the Company had a Long-Term Rating of CRISIL BBB+/Watch Negative (Placed on 'Rating Watch with Negative Implications'). The Credit Rating Letter is also available on the website of the Company at, https://www.cscpl.com/other-shareholder-information.php .
Address for Correspondence	Chemcon Speciality Chemicals Limited Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, District: Vadodara, Gujarat – 391775 Email id: investor.relations@cscpl.com Website: www.cscpl.com

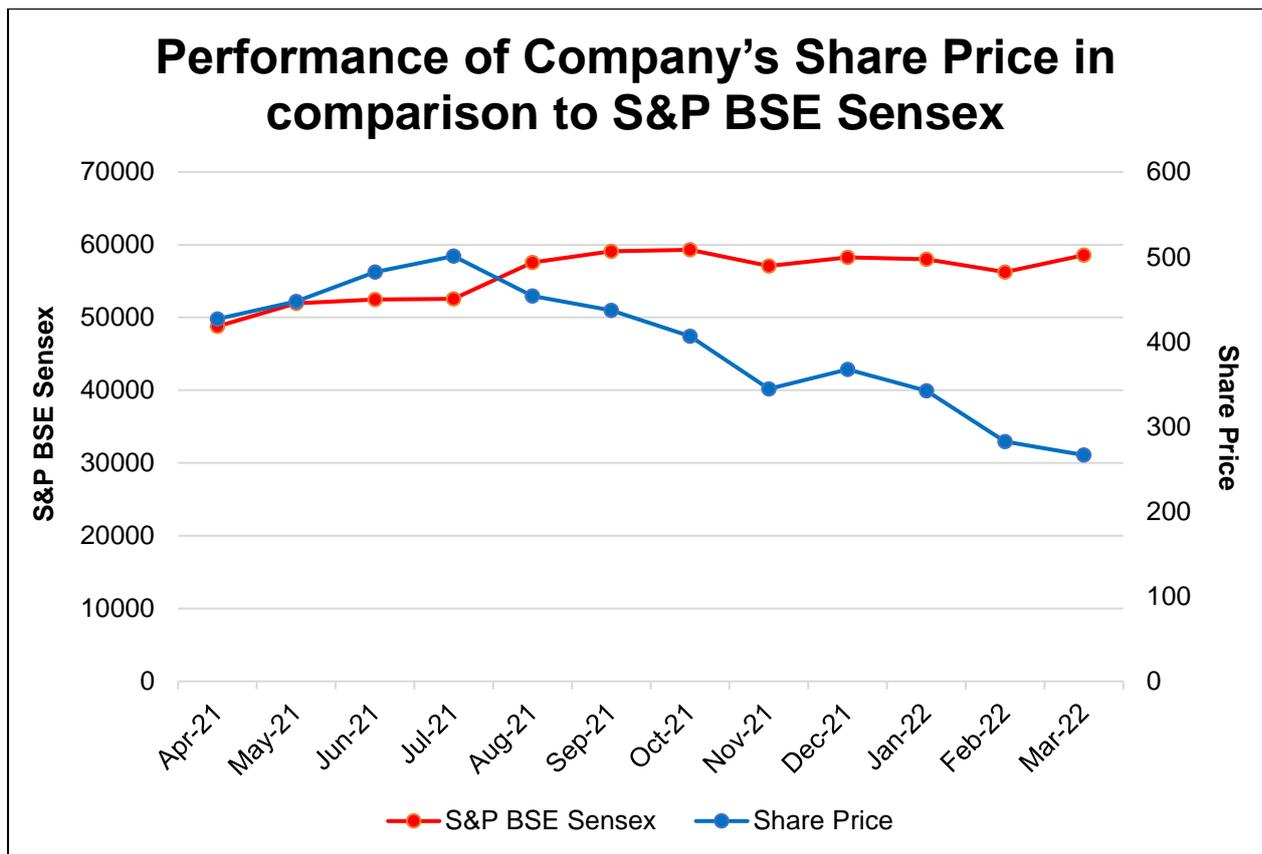
Market Price Data of Equity Shares:

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended March 31, 2022, are as under:

Month	BSE			NSE		
	High Price	Low Price	Volume of Shares (in Lakhs)	High Price	Low Price	Volume of Shares (in Lakhs)
April-21	448.90	401.00	6.10	450.00	403.00	41.52
May-21	469.75	420.80	7.25	470.20	420.10	66.44
June-21	520.00	446.25	14.56	521.00	445.35	151.69
July-21	534.80	465.00	8.53	534.95	476.15	92.37
August-21	569.05	426.20	8.94	569.40	425.00	109.45
September-21	475.10	428.75	3.75	476.00	429.60	37.32
October-21	482.45	405.00	3.91	482.40	405.00	49.19
November-21	424.50	340.00	10.62	425.00	338.30	39.59
December-21	382.35	330.30	3.82	382.85	341.20	26.84
January-22	394.40	333.35	3.98	395.00	333.00	32.64
February-22	373.45	266.00	2.72	373.10	266.00	20.29
March-22	308.00	262.30	4.72	308.30	261.00	33.67

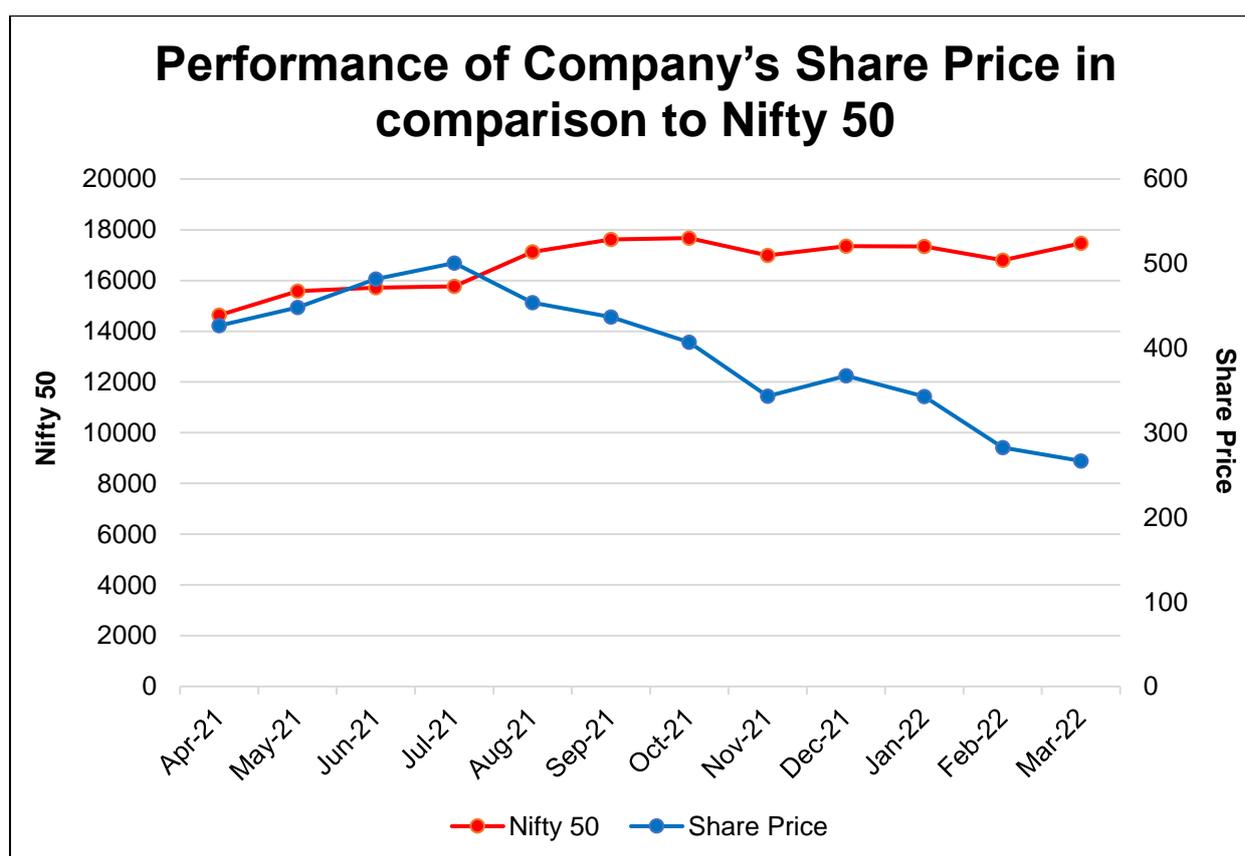
Performance of Company's Share Price in comparison to S&P BSE Sensex:

Month	Share Price (Close)	S&P BSE Sensex (Close)
April-21	426.70	48782.36
May-21	447.70	51937.44
June-21	482.25	52482.71
July-21	500.95	52586.84
August-21	454.05	57552.39
September-21	436.95	59126.36
October-21	406.75	59306.93
November-21	344.35	57064.87
December-21	367.45	58253.82
January-22	342.35	58014.17
February-22	282.35	56247.28
March-22	266.50	58568.51



Performance of Company's Share Price in comparison to Nifty 50:

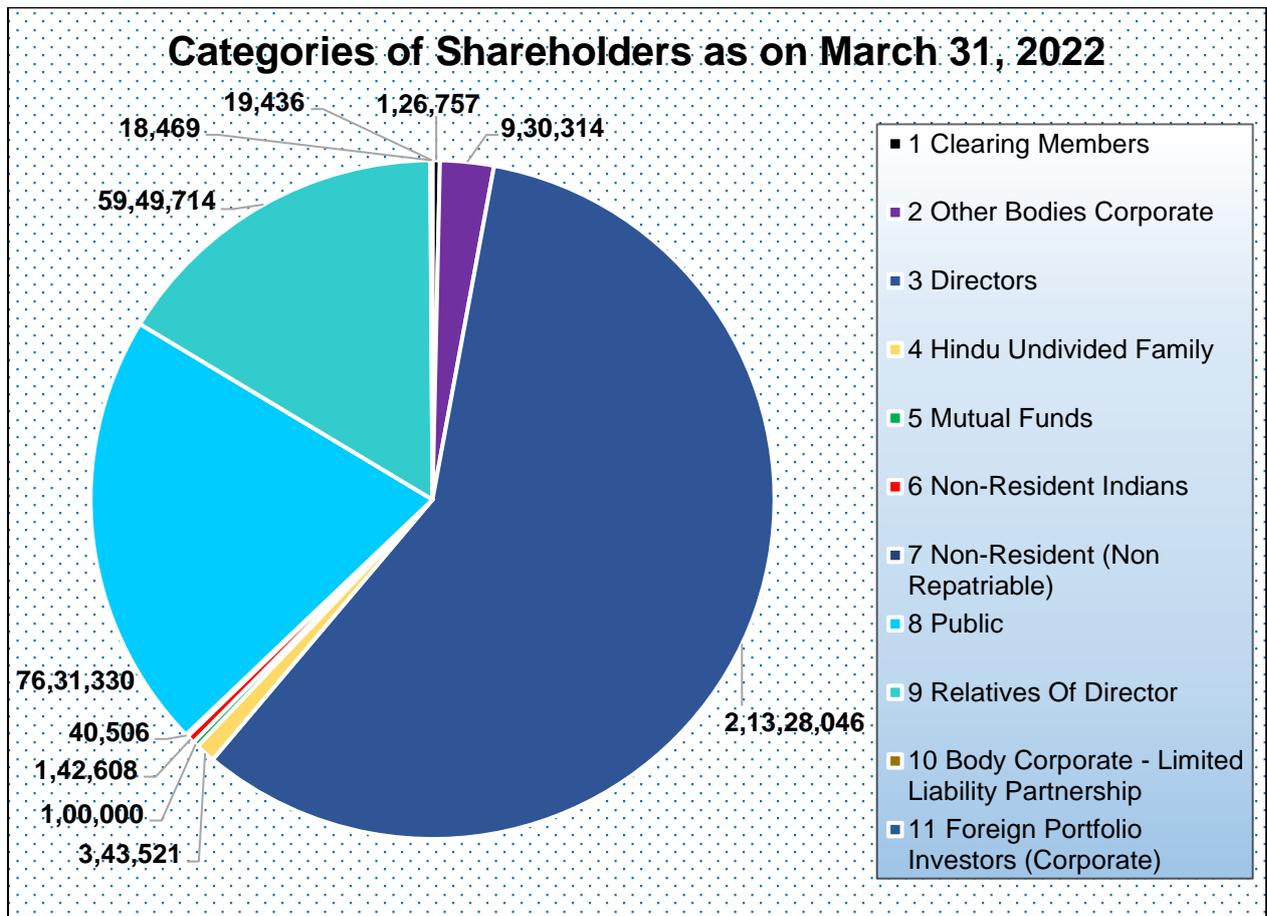
Month	Share Price (Close)	Nifty 50 (Close)
April-21	426.45	14631.10
May-21	448.20	15582.80
June-21	481.65	15721.50
July-21	500.70	15763.05
August-21	453.75	17132.20
September-21	436.90	17618.15
October-21	406.95	17671.65
November-21	343.20	16983.20
December-21	367.20	17354.05
January-22	342.95	17339.85
February-22	282.45	16793.90
March-22	266.65	17464.75



Categories of Shareholders:

Categories of Shareholders on the basis of DP ID and Client ID as on March 31, 2022, is as follows:

Sr. No.	Category	No. of Shares	No. of Holders	% of holding
1.	Clearing Members	1,26,757	113	0.3460
2.	Other Bodies Corporate	9,30,314	168	2.5397
3.	Directors	2,13,28,046	5	58.2245
4.	Hindu Undivided Family	3,43,521	1668	0.9378
5.	Mutual Funds	1,00,000	1	0.2730
6.	Non-Resident Indians	1,42,608	599	0.3893
7.	Non-Resident (Non Repatriable)	40,506	239	0.1106
8.	Public	76,31,330	89562	20.8332
9.	Relatives Of Director	59,49,714	4	16.2424
10.	Body Corporate - Ltd Liability Partnership	18,469	14	0.0504
11.	Foreign Portfolio Investors (Corporate)	19,436	2	0.0531
TOTAL		3,66,30,701	92,375	100.0000



Distribution of Shareholding:

The distribution of Shareholding on the basis of DP ID and Client ID as on March 31, 2022, is as follows:

Holding	Shareholders		Shares	
	Number	%	Number	%
1 - 500	90,292	97.7451	50,81,004	13.87
501 – 1000	1251	1.3543	9,53,854	2.60
1001 - 2000	493	0.5337	7,22,782	1.97
2001 – 3000	149	0.1613	3,79,417	1.04
3001 – 4000	43	0.0465	1,52,101	0.42
4001 – 5000	45	0.0487	2,09,742	0.57
5001 – 10000	57	0.0617	4,10,722	1.12
10001 and above	45	0.0487	2,87,21,079	78.41
Total	92,375	100.0000	3,66,30,701	100.00

8. OTHER DISCLOSURE:**Disclosure on materially significant related party transactions:**

During the Financial Year 2021-22, there were no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Related party transactions during the year have been disclosed as part of Financial Statements as required under Indian Accounting Standard issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions and the transactions executed with the related party(ies) were in the ordinary course of business and on arm's length basis. The Policy on Related Party Transactions has been uploaded on the website of the Company, at <https://www.cscpl.com/policies.php>

Details of Non-compliance:

There were no instances of non-compliance by the Company nor any penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period of last three years.

Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has established Whistle-blower Policy wherein the employees are encouraged to report violation of laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee.

The said Whistle-Blower Policy has been hosted on the website of the Company, at, <https://www.cscpl.com/policies.php>

Compliance with Mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations except regulation 25(10) under which the Company was required to undertake Directors and Officers insurance ('D and O insurance') with effect from January 1, 2022, however, the Company availed the same from April 6, 2022.

In addition to the above, the Company has adopted certain discretionary requirements as specified under Part E of Schedule II of Listing Regulations and accordingly,

- The Audit Report on the Company's Financial Statements for the year ended March 31, 2022 is unmodified.
- The Internal Auditors reports directly to the Audit Committee.

Policy for Material Subsidiaries:

In accordance with the provisions of the Listing Regulations, the Company has duly formulated policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. There were no Material Subsidiaries of the Company during the Financial Year 2021-22. The policy for Material Subsidiaries has been placed on the website of the Company, at <https://www.cscpl.com/policies.php>

Details of utilization of Funds raised through preferential allotment or qualified institutions placement:

The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year 2021-22.

Certificates from Company Secretary in Practice:

A certificate from Mr. Kuldeep Bengani, Practicing Company Secretary and Designated Partner, Kuldeep Bengani & Associates LLP, Company Secretaries, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such Statutory Authority, is appended as **Annexure – I** to this report.

Dividend Distribution Policy:

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Dividend Distribution Policy is appended as **Annexure – II** to this report and is also available on the website of the Company, at <https://www.cscpl.com/policies.php>

Recommendations of the Committees:

All the mandatorily required recommendations made by the Committees of Board during the Financial Year 2021-22 were accepted and approved by the Board.

Total Fees to Statutory Auditors:

Total fees for all services paid by the Company to K C Mehta & Co., Statutory Auditors of the Company:

(INR in Lacs)

Payment to Statutory Auditors	Financial Year 2021-22
Statutory Audit Fees	7.00
Limited Review	1.50
Certification Fees	0.75
Total	9.25

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee to consider and resolve all complaints relating to sexual harassment to its women employees at workplace. The Company has taken various initiatives to ensure a safe and healthy workplace for its women employees.

The Company has also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints of sexual harassment were received by the Company during the financial year 2021-22.

Loans and advances in the nature of loans to firms/companies in which directors are interested:

No loans and advances in the nature of loans to firms/companies in which directors are interested were given by the Company during the financial year 2021-22

Demat Suspense Account – Unclaimed Suspense Account:

The Company did not have any funds lying unpaid or unclaimed for a period of seven years and therefore transfer of unclaimed and unpaid dividend as well as transfer of shares to IEPF is not applicable for the Financial Year 2021-22.

9. CODE OF CONDUCT:

The Company has framed and adopted the code of conduct for Directors and Senior Management in terms of requirements of the Listing Regulations. The said code has been communicated to the Directors and the members of the Senior Management. The code has been uploaded on the Company's website, at, <https://www.cscpl.com/policies.php>

Annexure I to Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
Chemcon Speciality Chemicals Limited
Block No. 355, Manjusar Kunpad Road,
Manjusar Village, Taluka Savli,
Vadodara - 391775, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Chemcon Speciality Chemicals Limited**, having CIN L24231GJ1988PLC011652 and having registered office at Block No. 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara - 391775, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Kamalkumar Rajendra Aggarwal	00139199	19/01/2004
2.	Navdeep Naresh Goyal	02604876	01/04/2015
3.	Rajesh Chimanlal Gandhi	03296784	01/05/2012
4.	Himanshu Prafulchandra Purohit	03296807	01/05/2012
5.	Rajveer Kamal Aggarwal	07883896	01/10/2017
6.	Samir Chandrakant Patel	00086774	29/04/2019
7.	Lalit Devidutt Chaudhary	00651372	29/04/2019
8.	Bharat Chunilal Shah	08281811	29/04/2019
9.	Neelu Atulkumar Shah	08283933	29/04/2019
10.	Devendra Raj Kumar Mangla*	08421613	29/04/2019

* Mr. Devendra Rajkumar Mangla (DIN: 08421613) has resigned from the Board of the Company as Independent Director with effect from 17/02/2022.

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

For Kuldeep Bengani & Associates LLP

Company Secretaries

Kuldeep Bengani

Partner

FCS No. :8049

C P No.: 8372

UDIN: F008049D000510375

Place: Hyderabad

Date: 20/06/2022

Annexure II to Corporate Governance Report

DIVIDEND DISTRIBUTION POLICY

PREAMBLE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) require the top 1000 listed companies, based on market capitalization as on March 31 of every financial year, to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors (“Board”) of Chemcon Speciality Chemicals Limited (“Company”) has adopted this Dividend Distribution Policy (“Policy”) to comply with the Listing Regulations.

The Company currently has only one class of shares, i.e., equity, for which this Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

DIVIDEND DISTRIBUTION PHILOSOPHY

The Company is deeply committed to driving superior value creation for all its stakeholders’. The Company’s focus will continue to be on the sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

DIVIDEND

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount of the paid-up shares they hold. Dividend includes Interim Dividend.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. When Company’s liquidity is jeopardized for any reason, impairing its ability to pay the dividend.
- iv. In the event of loss or inadequacy of profits.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholder’s wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

INTERIM AND FINAL DIVIDEND

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, shall be intimated to the stock exchanges and post board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the Listing Regulations.

FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND

- Distributable surplus available with the Company;
- Company's liquidity position and future cash flow needs;
- Track record of dividend distribution of the Company;
- Dividend payout ratios of the comparable companies;
- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations / covenants of loan agreements;
- Macroeconomic and business conditions in general; and
- Any other relevant factors that the Board may deem fit to consider before recommending / declaring Dividend.

UTILISATION OF RETAINED EARNINGS

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of dividend in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose

MODIFICATION OF THE POLICY

The Board is authorised to change/amend this Policy from time to time at its sole discretion, as it may deem fit, and/or in pursuance of any amendments made in the Act, the Listing Regulations, etc.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Kamalkumar Rajendra Aggarwal, Chairman and Managing Director of Chemcon Speciality Chemicals Limited, hereby declare and affirm that, the members of Board of Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management, as applicable to them, for the financial year ended March 31, 2022.

Kamalkumar Rajendra Aggarwal

Chairman and Managing Director

DIN: 00139199

Date: June 28, 2022

Place: Vadodara

COMPLIANCE CERTIFICATE

In terms of Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), we, the undersigned, hereby certify that -

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022, and 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 Company'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 into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company 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) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) 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 Company's internal control system over financial reporting.

Kamalkumar Rajendra Aggarwal

Managing Director

Rajesh Chimanlal Gandhi

Chief Financial Officer

Date: June 28, 2022

Place: Vadodara

INDEPENDENT AUDITORS' REPORT

To the Members of

Chemcon Speciality Chemicals Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS:

Opinion

We have audited the accompanying financial statements of **Chemcon Speciality Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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 "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B";

- g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- h. the other matters to be included in the Auditors' Report in accordance with Rule 11 of with respect to the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2022;

iii. there were no amounts which were required to be transferred to the Investor Education and 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 entities ("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 company has not declared or paid any dividend during the year.

For **K.C. Mehta & Co.**

Chartered Accountants

Firm's Registration No. 106237W

Neela R. Shah

Partner

Membership No. 045027

UDIN: 22045027AJRKRT7660

Place: Vadodara
Date: May 26, 2022

Annexure “A” to the Independent Auditors’ Report

The annexure referred to in our Independent Auditors’ Report to the members of **Chemcon Speciality Chemicals Limited** (“the Company”) on the financial statements for the year ended March 31, 2022, we report that:

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (“PPE”);

(B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a regular program of physical verification of PPE which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (other than properties where the Company is the lease and the lease agreement are duly executed in favour of the lease) disclosed in financial statements are held in the name of the Company.
- d) The Company has not revalued its PPE (including Right of Use Assets) or intangible assets or both during the year, and therefore, reporting under this clause of the Order is not applicable to the Company;
- e) According to the information and explanations given to us 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 thereunder.
- ii. a) The Inventories except for goods-in-transit and Inventories lying with third parties, have been physically verified by the management during the year and in our opinion, the coverage and procedure for such verification by the management is appropriate. As explained to us, there were no discrepancies of 10% or more in the aggregate for each class of inventory on physical verification of inventory as compared to the book records.
- b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the Company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and therefore, the reporting under clause (iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Companies Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.

- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence 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 rules made there under are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues applicable to it with appropriate authorities. Further, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employee's state insurance, income tax, cess and any other statutory dues were in arrears, as at March 31, 2022, for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues as referred to in sub clause (a) above which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of examination of the records of the Company, there were, no transactions relating to previously unrecorded income which requires to record in the books of account as surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) In our opinion and according to the information and explanations given to us and on examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or other lenders.
- c) In our opinion and according to information and explanation given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long- term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the records of the company, we report that the company has taken funds from `banks and financial institution. The Company does not have any subsidiary, associate and joint venture and therefore, details required under clause (ix) (e) of the order is not applicable to the Company.
- f) The Company has not raised loans during the year on the pledge of securities during the year and therefore reporting under clause (ix) (f) of the Order is not applicable to the Company.

- x. a) In our opinion and according to information and explanation given to us, the money raised by way of initial public offer or further public offer have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for the stated use.
- 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 and therefore, reporting under clause (ix) (b) of the Order is not applicable to the Company.
- xi. a) To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- c) According to information and explanations given to us, the Company has not received any whistle blower complaints during the year.
- xii. The Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business;
- b) The reports of the internal auditors for the period under audit have been considered by us.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us:
 - a) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934
 - b) the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as covered under the requirements the Reserve Bank of India Act, 1934.
 - c) the Company is a not a Core Investment Company as defined in the regulations made by Reserve Bank of India.
 - d) the Company does not have more than one Core Investment Companies which are part of the Group;
- xvii. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year and therefore, reporting under this clause of the Order is not applicable to the Company;

- xix. According to the information and explanations given to us and 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, 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 that 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. a) According to the information and explanation given to us and on the basis of examination of the record, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects required to transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Therefore, reporting under clause (xx)(a) of the Order is not applicable to the Company.
- b) In respect of amount remaining unspent pursuant to ongoing projects, the company has transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- xxi. The Company is not required to prepare consolidated financial statements and therefore, reporting under this clause of the Order is not applicable to the Company.

For K.C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Neela R. Shah
Partner
Membership No. 045027
UDIN: 22045027AJRKRT7660

Place: Vadodara
Date: May 26, 2022

Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Chemcon Speciality Chemicals Limited** on the financial statements of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of **Chemcon Speciality Chemicals Limited** (“the Company”) as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, “Guidance note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.C. Mehta & Co.

Chartered Accountants

Firm's Registration No. 106237W

Neela R. Shah

Partner

Membership No. 045027

UDIN: 22045027AJRKRT7660

Place: Vadodara

Date: May 26, 2022

BALANCE SHEET

As at March 31, 2022

(In ₹ lacs)

Particular	Note No.	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non-Current Assets			
a) Property, Plant & Equipment	3.1	8,174.30	6,547.08
b) Capital Work-in-Progress	3.2	3,400.22	853.77
c) Right-Of-Use Assets	3.3	47.07	141.96
d) Intangible Assets	3.4	1.06	1.69
e) Financial Assets			
i) Other Financial Assets	4	91.98	4,029.96
f) Other Non-Current Assets	5	513.23	332.77
Total Non-Current Assets		12,227.88	11,907.22
Current Assets			
a) Inventories	6	3,462.21	5,897.15
b) Financial Assets			
i) Trade Receivables	7	10,249.05	9,477.28
ii) Cash and Cash Equivalents	8.1	3,585.23	2,436.00
iii) Bank Balances Other than ii) above	8.2	18,822.71	9,748.94
iv) Other Financial Assets	9	548.13	399.78
c) Current Tax Assets (Net)	17.6	69.79	56.96
d) Other Current Assets	10	833.79	435.21
Total Current Assets		37,570.92	28,451.31
TOTAL ASSETS		49,798.79	40,358.53
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	3,663.07	3,663.07
b) Other Equity	12	38,055.15	31,706.26
Total Equity		41,718.22	35,369.33
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13	60.22	182.44
ia) Lease Liabilities	14	19.00	106.10
ii) Other Financial Liabilities	15	206.77	496.24
b) Non-current Provisions	16	9.12	15.94
c) Deferred Tax Liabilities (Net)	17.7	29.84	168.40
Total Non-Current Liabilities		324.96	969.12
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	3,491.32	302.76
ia) Lease Liabilities	14	31.49	31.30
ii) Trade Payables	19		
- Total outstanding dues of micro and small enterprises		68.51	59.36
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,318.85	2,199.25
iii) Other Financial Liabilities	20	710.63	844.73
b) Other Current Liabilities	21	981.84	275.88
c) Short term Provisions	22	1.30	0.65
d) Current Tax Liabilities (Net)	17.5	151.67	306.14
Total Current Liabilities		7,755.61	4,020.07
TOTAL EQUITY AND LIABILITIES		49,798.79	40,358.53

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For **K C Mehta & Co**
 Chartered Accountants
 Firm Registration No: 106237W

Neela R. Shah
 Partner
 Membership No. 045027

Place: Vadodara
 Date: May 26, 2022

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED

Kamalkumar Aggrawal
 Chairman & Managing Director
 DIN: 00139199

Rajesh Gandhi
 Whole-time Director and CFO
 DIN: 03296784

Navdeep Goyal
 Deputy Managing Director
 DIN: 02604876

Shahilkumar Kapatel
 Company Secretary
 ACS: 52211

Statement of Profit and Loss

For the financial year ended March 31, 2022

(In ₹ lacs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
I. Revenue from Operations	23	25,711.11	24,348.72
II. Other Income	24	922.37	463.53
III. Total Income (I+II)		26,633.49	24,812.25
IV. Expenses			
Cost of Materials Consumed	25	11,665.14	11,775.09
Purchases of Stock-in-Trade		465.46	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	307.29	511.94
Employee Benefit expenses	27	1,911.46	1,588.97
Finance costs	28	56.94	363.31
Depreciation and Amortisation expenses	29	626.90	607.62
Other expenses	30	3,200.74	2,359.74
Total expenses (IV)		18,233.94	17,206.68
V. Profit before tax (III-IV)		8,399.55	7,605.57
VI. Tax Expense:	17		
a) Current tax			
- Current tax		2,159.95	1,956.90
- Taxes for earlier years		(12.83)	1.47
b) Deferred Tax (Credit)/Charge		(23.22)	7.38
Total tax expense (VI)		2,123.89	1,965.75
VII. Profit for the year (V-VI)		6,275.66	5,639.82
VIII. Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of Gains/(Losses) on defined benefit Plans		(46.99)	(6.98)
Deferred tax		11.83	1.76
Other Comprehensive Income(expense)/ income, Net of Tax (VIII)		(35.17)	(5.23)
IX. Total Comprehensive Income for the year (VII+VIII)		6,240.50	5,634.59
X. Earnings Per Equity Share	39		
a) Basic (₹)		17.13	16.48
b) Diluted (₹)		17.13	16.48

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For K C Mehta & Co

Chartered Accountants

Firm Registration No: 106237W

For and on behalf of the Board of Directors

CHEMCON SPECIALITY CHEMICALS LIMITED

Neela R. Shah

Partner

Membership No. 045027

Kamalkumar Aggrawal

Chairman & Managing Director

DIN: 00139199

Navdeep Goyal

Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2022

Rajesh Gandhi

Whole-time Director and CFO

DIN: 03296784

Shahilkumar Kapatel

Company Secretary

ACS: 52211

Statement of Changes in Equity

For the financial year ended March 31, 2022

A. Equity Share Capital

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Equity Share Capital		
Balance at the beginning of the year	3,663.07	3,177.78
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,663.07	3,177.78
Changes during the year	-	485.29
Balance at the end of the year	3,663.07	3,663.07

B. Other Equity

(In ₹ lacs)

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained Earning	
Balance as at April 1, 2020	-	11,459.15	11,459.15
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1, 2020	-	11,459.15	11,459.15
Profit for the Year	-	5,639.82	5,639.82
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(5.23)	(5.23)
Premium on public issue of shares (Refer Note 41)	16,014.71	-	16,014.71
Share issue expenses (Refer Note 41)	(1,465.10)	-	(1,465.10)
Tax Adjustment on Share issue expenses	62.92	-	62.92
Balance as at March 31, 2021	14,612.52	17,093.74	31,706.26
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at March 31, 2021	14,612.52	17,093.74	31,706.26
Profit for the Year	-	6,275.66	6,275.66
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(35.17)	(35.17)
Tax Adjustment on Share issue expenses	108.39	-	108.39
Balance as at March 31, 2022	14,720.91	23,334.24	38,055.15

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For K C Mehta & Co
 Chartered Accountants
 Firm Registration No: 106237W

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED

Neela R. Shah
 Partner
 Membership No. 045027

Kamalkumar Aggrawal
 Chairman & Managing Director
 DIN: 00139199

Navdeep Goyal
 Deputy Managing Director
 DIN: 02604876

Place: Vadodara
 Date: May 26, 2022

Rajesh Gandhi
 Whole-time Director and CFO
 DIN: 03296784

Shahilkumar Kapatel
 Company Secretary
 ACS: 52211

Statement of Cash Flows

For the financial year ended March 31, 2022

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	8,399.55	7,605.57
Adjustment for:		
Depreciation and Amortization expense	591.33	550.18
Depreciation on Right of use assets	35.57	57.44
(Profit)/ Loss on assets sold	30.88	5.12
Finance Cost	56.94	363.31
Interest received from Banks/ Others	(814.73)	(325.68)
Expected Credit Loss Allowance	-	3.64
Unrealised exchange rate difference (net)	(30.89)	(18.50)
Operating Profit before Working Capital Changes	8,268.67	8,241.08
Adjustment for:		
Change in Trade receivables	(745.40)	(573.98)
Change in Other Non-current financial assets	(42.03)	(2.16)
Change in Other current financial assets	(148.35)	(261.82)
Change in Other assets	(398.58)	998.09
Change in Inventories	2,434.93	(1,089.62)
Change in Trade payables	133.27	(307.37)
Change in Other current financial liabilities	(134.11)	518.35
Change in Other Non-current financial liabilities	(289.48)	496.24
Change in Other current liabilities and provisions	652.79	41.93
Cash generated/(used) from Operations	9,731.72	8,060.74
Less: Income tax paid/(Refund) (including TDS) (net)	2,309.53	1,557.76
Net Cash generated/(used) from Operating Activities (A)	7,422.19	6,502.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment, Investment Property & Intangibles and Capital Advances	(5,008.57)	(3,185.84)
Other Bank Balances	(9,073.77)	(8,446.09)
Term deposits with maturity more than 12 months	3,980.00	(3,980.00)
Sale proceeds of Property, Plant & Equipment	32.84	37.45
Interest received from Banks/ Others	814.73	325.68
Net Cash generated/(used) in Investing Activities (B)	(9,254.78)	(15,248.80)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(48.96)	(292.74)
Transaction Cost Incurred for IPO	-	(1,099.16)
Proceeds from issue of Shares	-	16,500.00
Proceeds/(Repayment) of Short-term Borrowings	3,317.15	(2,867.48)
Proceeds of Long-term Borrowings	60.00	30.00
(Repayment) of Long-term Borrowings	(310.80)	(1,128.44)
Payments of interest portion of lease liabilities	(7.99)	(15.63)
Payments of principal portion of lease liabilities	(27.59)	(52.09)
Net Cash generated/(used) in Financing Activities (C)	2,981.81	11,074.46
Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	1,149.22	2,328.64
Cash & Cash Equivalents at the beginning of the year	2,436.00	107.36
Cash & Cash Equivalents at the end of the year (Refer Note: 8.1)	3,585.23	2,436.00

The accompanying Notes form an integral part of the Financial Statements

a) Cash & Cash Equivalents comprises of :-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance with Banks	3,580.83	2,431.15
Cash on hand	4.39	4.86
	3,585.23	2,436.00

As per our report of even date

For K C Mehta & Co

Chartered Accountants

Firm Registration No: 106237W

For and on behalf of the Board of Directors

CHEMCON SPECIALITY CHEMICALS LIMITED

Neela R. Shah

Partner

Membership No. 045027

Kamalkumar Aggrawal

Chairman & Managing Director

DIN: 00139199

Navdeep Goyal

Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2022

Rajesh Gandhi

Whole-time Director and CFO

DIN: 03296784

Shahilkumar Kapatel

Company Secretary

ACS: 52211

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

1. COMPANY INFORMATION

Chemcon Speciality Chemicals Limited (“the Company”) is a Public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange in India Limited (NSE). The Company is registered with the ROC, Gujarat, Dadra and Nagar Haveli at Ahmedabad under having Corporate Identification number (CIN) L24231GJ1988PLC011652. The Registered office of the Company is located at Block No 355, Manjusar Kunpad Road Vill: Manjusar, Tal:Salvi Baroda Gujarat.

The Company is in pharmaceutical intermediates, Silanes and Oilfield Chemicals (Completion Fluids) Industry. The company is leading manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry and inorganic bromides, predominantly used as completion fluids in the oilfield industry.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation and Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time).

The financial statements are prepared, on a historical cost basis except for certain assets and liabilities which are measured at fair value at the end of each reporting period; as explained in the accounting policies below. These accounting policies have been applied consistently over all periods presented in these financials statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Financial Statements are presented in Indian Rupees which is Company’s presentation and functional currency, and all values are rounded to the nearest lacs (up to two decimals) except when otherwise indicated

Application of Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

The following standards / amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date.

Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.

Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.

Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.

Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.

2.2. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3. Property Plant and Equipment (PPE)

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, less accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of eligible applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalized in accordance with the Company's accounting policy.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Freehold Land is not depreciated. Depreciation on PPE other than Land has been provided on Straight line method over the useful lives of the assets as per Schedule II to the Companies Act

Useful lives of each class of PPE as prescribed under Part C of Schedule II to the Companies Act, 2013:

Class of Assets	Range of useful life
Building	03 – 60 Years
Plant and Equipment	10 – 20 Years
Furniture and Fixtures	10 Years
Vehicles	08 Years
Office Equipment	05 Years
Computers	03 Years

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

2.4. Intangible Assets and Amortisation

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets including Computer software are amortized on straight-line basis over a period of three years.

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

2.5. Non-Current Assets held for Sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

The Company classifies Non-Current Assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

2.6. Impairment of tangible assets and intangible assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have decreased. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

2.7. Inventories

The inventories are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

Inventories	Cost Formula
Raw material	First in first out basis
Raw Material (Goods in transit)	At invoice value
Work in Progress	Raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion.
Finished Goods (Including in Transit)	Raw material, labour and appropriate proportion of manufacturing expenses and overheads.
Stores, spares, packing materials	First in first out basis

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

2.8. Revenue recognition

The Company earns revenue primarily from sale of products and sale of services.

Sale of Products and Services

Revenues are recognized when the Company satisfies the performance obligation by transferring a promised product or service to a customer. A product is transferred when the customer obtains control of that product, which is at the point of transfer of custody to customers where usually the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration and represents amounts receivable for goods and services provided in the normal course of business, net off Goods and Services Tax (GST), etc. Any retrospective revision in prices is accounted for in the year of such revision.

Interest Income:

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Export Incentives and Other Income:

Export Incentives and Other Income is recognized on accrual basis except when realisation of such income is uncertain.

Insurance Claim:

Insurance and other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

2.9. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.10. Foreign Currency Transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which the Company operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items denominated in foreign currency, (such as PPE, capital/revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

2.11. Employee Benefits

Short-term employee Benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised, undiscounted, during the period the employee renders services. These benefits include salary, wages, bonus, performance incentives etc.

Post-Employment Benefits and Other Long Term Employee Benefits

Defined contribution plans

Contributions to defined contribution schemes such as provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuations under the Projected Unit Credit method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

Past service cost is recognised in profit or loss on the earlier of.

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

2.12. Taxes on Income

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax expense for the year / period

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.13. Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings.

General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets up to the date the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.15. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs, if any.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of directly attributable costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.16. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.17. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

2.18. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

2.19. Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

2.20. Current/non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is Expected to be settled in normal operating cycle
- It is Held primarily for the purpose of trading
- is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash Equivalents. The Company has identified twelve months as its operating cycle.

2.21. Critical accounting judgements, assumptions and Key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

2.22. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 2.23), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(i) Determining whether an arrangement contain leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Evaluation of indicators for impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

2.23. Key sources of estimates and assumptions

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Defined benefit obligation (DBO)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

(ii) Contingent Liabilities and Assets

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

(iii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(iv) Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(v) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(vi) Income taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

3.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Property, Plant & Equipment							Total
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	
Gross Carrying Amount								
As at April 1, 2020	342.02	1,364.81	3,940.18	189.24	964.30	129.75	35.48	6,965.78
Additions during the year	1,283.65	325.50	697.52	37.50	38.23	11.87	2.95	2,397.23
Disposal during the year	-	-	(130.66)	-	(17.45)	(0.65)	-	(148.76)
Deletion/Adjustment during the year	-	(0.00)	(18.43)	-	(45.05)	-	(13.86)	(77.33)
As at March 31, 2021	1,625.67	1,690.31	4,488.62	226.73	940.04	140.97	24.57	9,136.91
As at April 1, 2021	1,625.67	1,690.31	4,488.62	226.73	940.04	140.97	24.57	9,136.91
Additions during the year	5.92	955.43	1,194.56	0.69	109.46	11.31	4.29	2,281.65
Disposal during the year	-	-	-	-	(98.79)	(4.58)	-	(103.37)
Deletion/Adjustment during the year	-	-	(15.11)	(27.33)	-	(75.35)	(0.66)	(118.45)
As at March 31, 2022	1,631.60	2,645.74	5,668.06	200.09	950.70	72.34	28.19	11,196.73
Depreciation								
As at April 1, 2020	-	165.87	1,603.92	78.35	249.81	95.48	30.35	2,223.78
Provided for the year	-	67.27	338.62	16.55	114.18	10.40	2.55	549.57
Disposal during the year	-	-	(93.46)	-	(16.94)	(0.61)	-	(111.01)
Deletion/Adjustment during the year	-	0.00	(16.29)	-	(42.91)	-	(13.31)	(72.51)
As at March 31, 2021	-	233.14	1,832.79	94.90	304.14	105.26	19.59	2,589.83
As at April 1, 2021	-	233.14	1,832.79	94.90	304.14	105.26	19.59	2,589.83
Provided for the year	-	98.40	351.33	18.37	111.14	9.41	2.05	590.70
Disposal during the year	-	-	-	-	(49.35)	(1.39)	-	(50.74)
Deletion/Adjustment during the year	-	-	(11.44)	(25.96)	-	(69.42)	(0.55)	(107.36)
As at March 31, 2022	-	331.54	2,172.69	87.32	365.93	43.87	21.10	3,022.43
Net Carrying Amount								
As at March 31, 2021	1,625.67	1,457.17	2,655.83	131.83	635.89	35.71	4.98	6,547.08
As at March 31, 2022	1,631.60	2,314.20	3,495.37	112.78	584.77	28.48	7.10	8,174.30

Notes:

- Refer note 18 for information on property, plant and equipment given as security.
- All the title deeds for the immovable property are in the name of the Company.

3.2 CAPITAL WORK-IN-PROGRESS

a) Capital Work-in-Progress (CWIP) Ageing Schedule as at March 31, 2022

(In ₹ lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
(i) Projects in progress	2,982.65	417.58	-	-	3,400.22
(ii) Projects temporarily suspended	-	-	-	-	-
Total	2,982.65	417.58	-	-	3,400.22

b) Capital Work-in-Progress (CWIP) Ageing Schedule as at March 31, 2021

(In ₹ lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
(i) Projects in progress	853.77	-	-	-	853.77
(ii) Projects temporarily suspended	-	-	-	-	-
Total	853.77	-	-	-	853.77

c) Capital Work-in-Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

(In ₹ lacs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
(i) Project P-8 and P-9 along with Utility	2,500.91	-	-	-	2,500.91
Total	2,500.91	-	-	-	2,500.91

The delay in completion of the above projects is mainly due to the pandemic situation which was prevailing in the past two years.

d) There are no projects whose completion is overdue or has exceeded the cost compared to its original budget as at March 31, 2021

3.3 RIGHT-OF-USE ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Gross Carrying Amount	232.05	165.87
Addition during the year	46.61	66.18
Deductions during the year	(148.10)	-
Closing Gross Carrying Amount	130.56	232.05
Opening Depreciation/amortisation	90.08	32.64
Amortisation charged during the year	35.57	57.44
Reversal of depreciation during the year	(42.17)	-
Closing Depreciation/amortisation	83.48	90.08
Net Carrying Amount	47.07	141.96

3.4 INTANGIBLE ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Computer Software		
Opening Gross Carrying Amount	3.11	2.81
Addition during the year	-	0.31
Deductions during the year	-	-
Closing Gross Carrying Amount	3.11	3.11
Opening Depreciation/amortisation	1.42	0.81
Amortisation charged during the year	0.63	0.61
Reversal of depreciation during the year	-	-
Closing Depreciation/amortisation	2.05	1.42
Net Carrying Amount	1.06	1.69

4. OTHER FINANCIAL ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Security deposits for utilities and premises	91.98	49.96
Bank deposits, with Remaining maturity with more than 12 months (Earmarked) *	-	3,781.00
Bank deposits, with Remaining maturity with more than 12 months	-	199.00
Total	91.98	4,029.96

* The Company has Lien above deposits with the bank as margin money for Bank guarantee, Letter of Credit, Working capital facility, Term Loan and Overdraft against Fixed deposit facility.

5. OTHER NON-CURRENT ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Capital Advances	513.23	332.77
Total	513.23	332.77

6. INVENTORIES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at lower of Cost and net Realisable value)		
Raw Materials	1,557.33	4,072.56
Goods in Transit (Raw Materials)	788.66	436.49
Packing Material	17.91	20.44
Work-in-progress	328.60	466.53
Finished goods	287.60	804.63
Goods in Transit (Finished goods)	403.17	55.49
Other (Fuel)	19.93	2.96
Consumables and Stores	59.02	38.04
Total	3,462.21	5,897.15

- 1) Refer note 18 for information on Inventories given as security.
- 2) Carrying value of Raw Materials is net of provision of Rs. 114.14 lacs towards slow moving and non-moving stock and is included in cost of material consumed in Statement of Profit and Loss.
- 3) Carrying value of Finished goods is net of provision of Rs. 159.67 lacs towards slow moving and non-moving stock and is included in changes in inventories in Statement of Profit and Loss.

7. TRADE RECEIVABLES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
From Related Parties		
Considered good – Unsecured (Refer Note 35)	222.07	22.01
From Others		
Considered good - Secured	-	-
Considered good - Unsecured	10,039.53	9,467.81
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
Total	10,261.60	9,489.82
Less: Allowance for expected credit losses (Refer Note 7.1)	12.55	12.55
Total	10,249.05	9,477.28

1) Refer note 18 for information on Trade Receivables given as security.

7.1 Movement in Expected Credit Loss Allowance:

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	12.55	8.90
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	-	3.64
Balance at end of the year	12.55	12.55

7.2 Trade Receivable Ageing Schedule as at March 31, 2022

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months-1 Year	1-2 Year	2-3 Year	More than 3 years	
i) Undisputed Trade receivables - considered good	6,406.08	3,412.68	437.33	3.30	2.20	-	10,261.60
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	6,406.08	3,412.68	437.33	3.30	2.20	-	10,261.60
Less: Allowance for expected credit losses							12.55
Total							10,249.05

7.3 Trade Receivable Ageing Schedule as at March 31, 2021

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months-1 Year	1-2 Year	2-3 Year	More than 3 years	
i) Undisputed Trade receivables - considered good	6,397.21	2,870.47	173.65	19.39	29.09	0.02	9,489.82
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	6,397.21	2,870.47	173.65	19.39	29.09	0.02	9,489.82
Less: Allowance for expected credit losses							12.55
Total							9,477.28

8. CASH AND CASH EQUIVALENTS & OTHER BANK BALANCES

8.1 Cash & Cash Equivalents

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks:		
- In Current Accounts	4.93	2.27
- In Cash Credit Accounts	3,002.78	2,428.87
- In Exchange earners' foreign currency account (EEFC) Account	573.13	-
Cash in hand	4.39	4.86
Sub-Total (A)	3,585.23	2,436.00

8.2 Other Bank Balances

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
- In CSR Unspent Account (earmarked for CSR spend)	5.00	-
- Short-term bank deposit (Earmarked) *	11,155.47	7,064.91
- Short-term bank deposit	7,662.24	2,684.03
Sub-Total (B)	18,822.71	9,748.94
Total (A+B)	22,407.93	12,184.94

* The Company has Lien above deposits with the bank as margin money for Bank guarantee, Letter of Credit, Working capital facility, Term Loan and Overdraft against Fixed deposit facility.

9. OTHER FINANCIAL ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Other Receivables	10.10	2.72
Interest Accrued on Deposits	538.03	238.06
Security Deposits	-	159.00
Total	548.13	399.78

10. OTHER CURRENT ASSETS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Advances to suppliers	675.84	285.83
Advances to Employees	0.76	1.12
Balances with Revenue Authorities	50.01	91.51
Prepaid Expenses	79.84	56.74
Pre-Spent Corporate Social Responsibilities (CSR) Expense (Refer Note 38)	4.52	-
Gratuity (Refer Note 33.2)	22.82	-
Total	833.79	435.21

11. EQUITY SHARE CAPITAL

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Capital		
As at March 31, 2022: 500 Lacs Equity Shares of Rs. 10/- each	5,000.00	5,000.00
As at March 31, 2021: 500 Lacs Equity Shares of Rs. 10/- each		
Issued, Subscribed & Fully Paid-up Capital		
As at March 31, 2022: 366.31 Lacs Equity Shares of Rs. 10/- each fully paid up	3,663.07	3,663.07
As at March 31, 2021: 366.31 Lacs Equity Shares of Rs. 10/- each fully paid up (Refer Note 41)		

a) Reconciliation of the number of Equity shares

(No of shares in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Share Capital		
Balance at the beginning of the year	366.31	317.78
Changes in equity share capital during the year		
Add: Issued during the year		
Fresh Issue (Refer Note 41)	-	48.53
Balance at the end of the year	366.31	366.31

b) Rights, Preferences & Restrictions of each class of shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash during the period of five years immediately preceding the reporting date

The Company had allotted 238.33 Lacs number of fully paid Bonus shares on November 3, 2018, in the ratio of three equity share of Rs.10 each fully paid up for everyone existing equity shares of Rs. 10 each fully paid up.

d) Details of Equity Shareholders holding more than 5% shares in the company:

(No of shares in Lacs)

Sr No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		% of Holding	No of Shares	% of Holding	No of Shares
1.	Kamal Rajendra Aggarwal	26.42%	96.77	26.42%	96.77
2.	Naresh Vijaykumar Goyal	8.29%	30.36	8.29%	30.36
3.	Navdeep Goyal & Shubhangana Goyal *	17.02%	62.34	17.02%	62.34
4.	Rajveer Kamal Aggarwal	6.91%	25.33	6.91%	25.33
5.	Shubhangana Naresh Goyal	5.40%	19.79	5.40%	19.79
6.	Navdeep Naresh Goyal	6.48%	23.75	6.48%	23.75
7.	Plutus Wealth Management LLP	0.00%	-	5.46%	20.00
8.	Kamal Aggarwal & Rajveer Aggarwal *	1.39%	5.10	0.00%	-
Total		71.91%	263.43	75.98%	278.33

* Joint Holding

e) Details of Equity Shareholders holding of Promoters

(No of shares in Lacs)

Sr No.	Particulars	As at March 31, 2022			As at March 31, 2021		
		% of Holding	No of Shares	% Change during the year	% of Holding	No of Shares	% Change during the year
1.	Kamal Rajendra Aggarwal	26.42%	96.77	0.00%	26.42%	96.77	(-11.11)%
2.	Navdeep Naresh Goyal & Shubhangana Naresh Goyal *	17.02%	62.34	0.00%	17.02%	62.34	(-2.6)%
3.	Shubhangana Naresh Goyal	5.40%	19.79	0.00%	5.40%	19.79	(-0.83)%
4.	Navdeep Naresh Goyal	6.48%	23.75	0.00%	6.48%	23.75	(-0.99)%
5.	Kamal Rajendra Aggarwal & Rajveer Kamal Aggarwal *	1.39%	5.10	1.39%	0.00%	-	0.00%
Total		56.71%	207.74		55.32%	202.64	

12. OTHER EQUITY

(In ₹ lacs)

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained Earning	
Balance as at April 1, 2020	-	11,459.15	11,459.15
Profit for the Year	-	5,639.82	5,639.82
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(5.23)	(5.23)
Premium on public issue of shares (Refer Note 41)	16,014.71	-	16,014.71
Share issue expenses (Refer Note 41)	(1,465.10)	-	(1,465.10)
Tax Adjustment on Share issue expenses	62.92	-	62.92
Balance as at March 31, 2021	14,612.52	17,093.74	31,706.26
Profit for the Year	-	6,275.66	6,275.66
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(35.17)	(35.17)
Tax Adjustment on Share issue expenses *	108.39	-	108.39
Balance as at March 31, 2022	14,720.91	23,334.24	38,055.15

* Tax Adjustment on Share issue expenses incurred in financial year ended March 31, 2021.

- A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- B) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.
- C) **Securities Premium:** These reserves are created by the company on premium arising out of public issue adjusted against all issue related expenses. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

13. BORROWINGS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans:		
- From Banks	218.68	459.93
- From Financial institutions	15.72	25.28
	234.40	485.20
Less: Current	174.18	302.76
Total	60.22	182.44

13.1 Nature of security for long term secured borrowings including current maturities

(In ₹ lacs)

Term Loan	Nature of Security	Current maturities of each loan	Amount loan outstanding
		Current Year	Current Year
		(Previous Year)	(Previous Year)
From Bank			
A. HDFC Bank Limited			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	2.11	2.11
		(8.02)	(10.14)
Vehicle Loan - II	Loans is secured by hypothecation of the respective vehicle	0.87	0.87
		(1.62)	(2.49)
Vehicle Loan - III	Loans is secured by hypothecation of the respective vehicle	21.91	21.91
		(20.23)	(42.14)
Vehicle Loan - IV	Loans is secured by hypothecation of the respective vehicle	14.39	20.76
		(13.22)	(33.98)
Vehicle Loan - V	Loans is secured by hypothecation of the respective vehicle	6.97	25.98
		-	-
Vehicle Loan - VI	Loans is secured by hypothecation of the respective vehicle	6.97	25.98
		-	-
Property Loan	Property Loan secured by way of Equitable Mortgage of property	22.50	30.62
		(19.97)	(50.59)
Term Loan	1st Exclusive charge by the way of lien over fixed Deposits upto 110% of the limit amount parked with HDFC Bank Ltd	61.93	61.93
		(176.99)	(238.92)
From Bank			
B. YES Bank			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	28.52	28.52
		(53.15)	(81.67)
From Financial institutions			
C. Kotak Mahindra Prime Ltd			
Vehicle Loan - I	Loans is secured by hypothecation of the respective vehicle	8.00	15.72
		(9.56)	(25.28)
Total	Current Year (CY)	174.18	234.40
	Previous Year (PY)	(302.76)	(485.20)

13.2 The terms of repayment of the above loans are as follows:

Term Loan	Rate of Interest	No of Monthly Instalments	No. of Instalments due after balance sheet date		Maturity Date
			Current Year		
			(Previous Year)		
From Bank					
A. HDFC Bank Limited					
Vehicle Loan - I	8.50%	48	3.00	07-06-2022	
			(15.00)		
Vehicle Loan - II	9.50%	48	6.00	05-09-2022	
			(18.00)		
Vehicle Loan - III	8.00%	60	12.00	07-03-2023	
			(24.00)		
Vehicle Loan - IV	8.50%	60	17.00	05-08-2023	
			(29.00)		
Vehicle Loan - V	7.05%	48	41.00	07-08-2025	
			-		
Vehicle Loan - VI	7.05%	48	41.00	07-08-2025	
			-		
Property Loan	12.00%	120	16.00	07-07-2023	
			(28.00)		
Term Loan	5.90%	14 quarterly instalments post 18 Months moratorium period	1.00	24-04-2022	
			(3.00)		
From Bank					
B. YES Bank					
Vehicle Loan - I	9.11%	37	6.00	15-09-2022	
			(18.00)		
From Financial institutions					
C. Kotak Mahindra Prime Ltd					
Vehicle Loan - I	Variable	60	42.00	01-09-2025	
			(54.00)		

14. LEASE LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Lease Liabilities (Refer Note 40)	19.00	106.10
Total	19.00	106.10
Current:		
Lease Liabilities (Refer Note 40)	31.49	31.30
Total	31.49	31.30

15. OTHER FINANCIAL LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditor for capital goods	206.77	496.24
Total	206.77	496.24

16. NON-CURRENT PROVISIONS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
- Gratuity	-	10.23
- Compensated absences	9.12	5.70
Total	9.12	15.94

17. CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

17.1 Income tax expense recognised in the Statement of Profit and Loss:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Current tax		
Current tax on profit for the year	2,159.95	1,956.90
Adjustments for current tax of prior periods	(12.83)	1.47
Total current tax expense	2,147.11	1,958.37
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	24.00	12.33
Decrease (Increase) in deferred tax assets	(47.22)	(4.95)
Total deferred tax expense (benefit)	(23.22)	7.38
Total tax expense	2,123.89	1,965.75

17.2 Income tax expense recognised in the other comprehensive income (OCI):

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Deferred tax		
Premeasurement gain (loss) on defined benefit plans	(11.83)	(1.76)
Total deferred tax expense (benefit)	(11.83)	(1.76)

17.3 Income tax expense recognised in the Other Equity:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Current tax		
Expense (benefit) on Share Issue Expenses	(4.89)	-
ii) Deferred tax		
(Decrease (Increase) in deferred tax assets on Share Issue Expenses	(103.50)	(62.92)
Total Tax Expense (Benefit)	(108.39)	(62.92)

17.4 The Income Tax Expense for the Year can be Reconciled to the Accounting Profit as Follows:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Profit before tax	8,399.55	7,605.57
2. Income tax rate (%) applicable to the Company	25.17%	25.17%
3. Income tax expense calculated	2,114.00	1,914.17
Expenses not allowed in Income Tax	34.95	46.94
Effect of recognition of Prior year tax	(12.26)	9.58
Other Adjustments	(12.80)	(4.94)
4. Total effect of tax adjustments	9.89	51.58
5. Income Tax recognised in Statement of Profit and Loss (3+4)	2,123.89	1,965.75
6. Effective tax Rate	25.29%	25.85%

17.5 Current Tax Liabilities

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	306.14	-
Income tax (paid)/Refund (including Advance Tax, TDS, TCS) (Net)	(2,309.53)	(1,705.76)
Income tax payable for the year	2,155.06	2,011.90
Income tax provision (Reversal)/Charge of earlier years	-	-
Net Current Income Tax Liabilities at the end	151.67	306.14

17.6 Current Tax Assets

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	56.96	206.37
Income tax paid/(Refund) (including Advance Tax, TDS, TCS) (Net)	-	(148.01)
Income tax payable for the year	-	-
Income tax provision Reversal/(Charge) of earlier years	12.83	(1.41)
Net Current Income Tax Assets at the end	69.79	56.96

17.7 Deferred Tax Liabilities/(Assets)

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability		
Temporary difference in the carrying amount of property, plant and equipment	266.25	242.26
Net Deferred Tax Liability (A)	266.25	242.26
Deferred Tax Asset		
Lease Transaction	1.04	2.85
Provision for doubtful debts	3.16	3.16
Provision for slow moving and non-moving inventory	68.91	-
Expenses allowed on payment basis	(3.12)	4.18
On Account of Preliminary Expenses	166.42	63.68
Net Deferred Tax Assets (B)	236.41	73.86
Net Deferred Tax Liability/(Assets) (A-B)	29.84	168.40

17.8 Movement in Deferred Tax Liabilities/(Assets)

The movement in deferred tax balances for the year ended March 31, 2022, is as follows:

(In ₹ lacs)

Particulars	Balance as at April 1, 2021	Recognized in statement of profit and loss	Recognized in OCI Equity	Balance as at March 31, 2022
Deferred tax liability (gross)				
Temporary difference in the carrying amount of property, plant and equipment	242.26	24.00	-	266.25
Total deferred tax liabilities (A)	242.26	24.00	-	266.25
Deferred Tax Asset (gross)				
Lease Transaction	2.85	(1.81)	-	1.04
Provision for doubtful debts	3.16	-	-	3.16
Provision for slow moving and non-moving inventory	-	68.91	-	68.91
Expenses allowed on payment basis	4.18	(19.12)	11.83	(3.12)
On Account of Preliminary Expenses	0.76	(0.76)	-	0.00
On Account of Share Issue Expenses	62.92	-	103.50	166.42
Total deferred tax assets (B)	73.86	47.22	115.33	236.41
Net Deferred Tax Liability/(Assets) (A-B)	168.40	(23.22)	(115.33)	29.84

The movement in deferred tax balances for the year ended March 31, 2021, is as follows:

(In ₹ lacs)

Particulars	Balance as at April 1, 2020	Recognized in statement of profit and loss	Recognized in OCI Equity	Balance as at March 31, 2021
Deferred tax liability (gross)				
Temporary difference in the carrying amount of property, plant and equipment	229.93	12.33	-	242.26
Total deferred tax liabilities (A)	229.93	12.33	-	242.26
Deferred Tax Asset (gross)				
Lease Transaction	0.56	2.29	-	2.85
Provision for doubtful debts	2.24	0.92	-	3.16
Expenses allowed on payment basis	(0.08)	2.50	1.76	4.18
On Account of Preliminary Expenses	1.51	(0.76)	-	0.76
On Account of Share Issue Expenses	-	-	62.92	62.92
Total deferred tax assets (B)	4.23	4.95	64.68	73.86
Net Deferred Tax Liability/(Assets) (A-B)	225.70	7.38	(64.68)	168.40

18. BORROWINGS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans from banks Repayable on Demand		
- Overdraft against Fixed deposits	3,317.15	-
Secured Loans from banks & Financial institutions		
- Current Maturities of Long-term Borrowings (Refer Note 13)	174.18	302.76
Total	3,491.32	302.76

Rate of interest on working capital loans

1 Year MCLR + 1.85%

Rate of interest on Overdraft against Fixed deposits

Weighted average FD rate + 0.50%

Nature of security:

A. HDFC Bank Cash Credit Loan, working capital demand loan, Buyer Credit Loan and Export Packing Credit Loan:

Primary Security:

First and exclusive hypothecation charge on entire current assets of the company both present and future.

Secondary Collateral

Factory Land & Building: First and exclusive charge on entire land and hypothecation charge on building and entire movable fixed assets at

1) 901 & 902, 9th Floor, ONYX Business Center, Akshar Chowk - Baroda – 390020

2) Block No: 355, 357, 357/1, 358, 359 Manjusar, Tal: Savli, Vadodara.

Residential Property: First and exclusive charge on 1) Residential Property of Kamal Aggarwal at flat no 1, Heritage Corner, New Alkapuri Sevasi Road, Vadodara. 2) Residential Property of Naresh Goyal at flat no 4, Heritage Corner, New Alkapuri Sevasi Road, Vadodara and First and exclusive hypothecation charge on entire movable fixed assets.

Fixed Deposits: First and exclusive charge created lien over Fixed Deposit of Rs. 990 Lacs.

Personal Guarantee: Personal guarantee Shri Naresh Goyal and Kamal Aggarwal.

B. Overdraft against Fixed deposits

Overdraft against Fixed deposit repayable on demand from HDFC banks is secured against 1st Exclusive charge by the way of lien over fixed Deposits upto 110% of the limit amount parked with HDFC Bank Limited.

19. TRADE PAYABLES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
- Total outstanding dues of micro and small enterprises (Refer Note 42)	68.51	59.36
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,318.85	2,199.25
Total	2,387.37	2,258.60

- 1) Above trade payables include amount due to related parties Rs. 24.74 Lacs (March 31, 2021, Rs. 22.58 Lacs) - Refer Note 35

19.1 Trade Payables Ageing Schedule as at March 31, 2022

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
i) MSME	68.51	-	-	-	-	68.51
ii) Others	1,913.27	354.04	0.07	-	-	2,267.39
iii) Disputed dues — MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	51.47	-	51.47
Total	1,981.79	354.04	0.07	51.47	-	2,387.37

19.2 Trade Payables Ageing Schedule as at March 31, 2021

(In ₹ lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
i) MSME	59.36	-	-	-	-	59.36
ii) Others	1,697.02	448.14	0.67	1.95	-	2,147.78
iii) Disputed dues — MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	51.47	-	-	51.47
Total	1,756.38	448.14	52.14	1.95	-	2,258.60

20. OTHER FINANCIAL LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	379.25	561.50
Salary & Wages Payable	237.02	242.99
Other expenses Payable	94.36	40.24
Total	710.63	844.73

21. OTHER CURRENT LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers	848.51	4.61
Statutory dues	108.94	178.05
CSR unspent to be deposited in Special Bank Account related to "Ongoing projects (Refer note 38)	24.39	-
CSR unspent to be deposited in Fund (Refer note 38)	-	93.22
Total	981.84	275.88

22. SHORT TERM PROVISIONS

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
- Gratuity	-	0.39
- Compensated absences	1.30	0.26
Total	1.30	0.65

23. REVENUE FROM OPERATIONS

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products	24,620.41	22,560.56
Sale of Services	1,054.52	1,762.15
Revenue from contracts with customers	25,674.93	24,322.71
Other Operating Revenues		
- Export Incentive	29.73	21.88
- Other	6.46	4.13
Total	25,711.11	24,348.72

Refer note 34 for geographical disaggregation of the revenue.

24. OTHER INCOME

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets carried at amortised cost		
- Deposits with bank	814.73	325.68
Net gain on Foreign Currency Transactions	107.59	40.32
Other Non-operating Income	0.05	97.53
Total	922.37	463.53

25. COST OF MATERIALS CONSUMED

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials and packing materials consumed		
Stocks at commencement	4,529.49	2,925.57
Add: Purchases and incidental expenses	9,499.55	13,379.01
Less: Stocks at close (Refer Note 6)	2,363.91	4,529.49
Total cost of Materials Consumed	11,665.14	11,775.09

26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stocks at commencement		
Finished goods	860.12	1,347.71
Work-in-progress	466.53	490.89
Sub- Total (A)	1,326.65	1,838.59
Less: Stocks at close (Refer Note 6)		
Finished goods	690.77	860.12
Work-in-progress	328.60	466.53
Sub- Total (B)	1,019.36	1,326.65
(Increase) Decrease in stocks (A-B)	307.29	511.94

27. EMPLOYEE BENEFIT EXPENSES

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	1,824.57	1,512.14
Contribution to provident and other funds	62.05	52.66
Staff welfare expenses	24.84	24.18
Total	1,911.46	1,588.97

28. FINANCE COSTS

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	39.60	276.09
Interest on Lease Liabilities	7.99	15.63
Interest on others *	6.41	62.05
Other Borrowing Cost	2.95	9.53
Total	56.94	363.31

* Interest on others include interest on shortfall in payment of advance income-tax Rs. Nil (March 31, 2021, Rs. 55.00 Lacs)

29. DEPRECIATION AND AMORTISATION

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation		
- On Property Plant & Equipment	590.70	549.57
- On Right-Of-Use Assets	35.57	57.44
Amortisation		
- Of Intangible assets	0.63	0.61
Total	626.90	607.62

30. OTHER EXPENSES

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Direct Expenses		
Consumption of stores and spare parts	276.10	158.26
Power and Fuel	866.88	724.08
Repairs & maintenance - Machinery	92.73	27.45
Factory Expense	101.28	49.35
Job work Charges	51.79	23.13
Electrical Expenses	10.99	11.20
Security Service Expense	23.82	15.40
Laboratory & Testing Expense	12.19	12.68
Lifting Charges	92.01	130.73
Sub- Total (A)	1,527.79	1,152.29

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
B. Selling, Marketing & Distribution Expenses		
Freight Outward	312.16	259.36
Export Expense	219.69	72.42
Sales Commission	404.28	288.99
Other Selling, Marketing & Distribution expenses	13.21	2.22
Sub- Total (B)	949.34	622.99
C. Administrative & Other Expenses		
Legal and Professional Expense	188.42	104.59
Insurance Expense	66.76	72.90
Insurance Claim Written off	-	55.67
Petrol & Vehicle Expense	44.99	23.79
Travelling Expense	37.71	32.00
Repairs & Maintenance - Other	96.95	60.00
Rent Expense	33.16	30.33
Donation	4.05	12.83
Expenses on corporate social responsibility (CSR) activities	133.46	110.33
Director Sitting Fees	2.40	3.90
Loss on disposal of Assets (Net)	30.88	5.12
Payments to the Statutory Auditors	9.25	7.75
Impairment and write off	40.79	3.64
Rates & Taxes	1.43	1.28
Other Administrative Expenses	33.37	60.33
Sub - Total (C)	723.61	584.46
Total Other expenses (A+B+C)	3,200.74	2,359.74

31. COMMITMENTS AND CONTINGENT LIABILITIES

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liability		
a) Claims against the Company/ disputed demands not acknowledged as debt:-		
- Excise	3.50	3.50
- GST	23.38	23.38
Commitments		
Estimated Amount of contracts remaining to be executed and not provided for (net of advances):	600.56	560.47

32. DETAILS OF AUDITORS' REMUNERATION

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Payments to the Statutory Auditors		
For Audit Fees	7.00	6.00
For Limited Review Fees	1.50	1.00
Fees for issuing various certificates	0.75	9.75
Total	9.25	16.75

* Certification fees for year ended March 31, 2021, include Rs. 9.00 Lacs relating to issue of equity shares adjusted in Securities Premium.

33. EMPLOYEE BENEFIT PLANS

33.1 Defined contribution plans

Contributions are made to statutory provident fund which covers all regular employees. While both the employees and the company make predetermined contributions to the Provident fund. The contributions are normally based on a certain percentage of the employee's salary.

The Company has recognised expenses towards defined contribution plan as under:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to provident fund	41.18	34.52

33.2 Defined benefit plans

The Company has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its review.

(A) Gratuity (Funded)

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
I. Expenses recognized in the Statement of Profit and Loss:		
Current Service Cost	14.09	10.08
Past service Cost	-	-
Net Interest Cost	(2.31)	(0.31)
Expenses recognized during the year	11.78	9.76
II. Expenses recognized in other comprehensive income (OCI)		
Actuarial (gain)/losses on obligation for the period	43.58	6.75
Return on Plan Assets, Excluding Interest Income	3.42	0.24
Net (Income)/Expenses For the year Recognised in OCI	46.99	6.98
III. Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
As at the beginning of the year	70.31	52.69
Current service cost	14.09	10.08
Interest Cost	4.43	3.42
Past service Cost	-	-
Benefit paid from the fund	(4.20)	(2.63)
Actuarial losses/(gains)	43.58	6.75
As at the end of the year	128.21	70.31
IV. Movement in net (Liability)/Asset recognized in Balance Sheet		
As at the beginning of the year - (Liability)/Asset	(10.62)	6.13
Expenses recognized during the year in Statement of Profit and Loss	(11.78)	(9.76)
Expenses recognized during the year in OCI	(46.99)	(6.98)
Contributions made	92.22	-
As at the end of the year - (Liability)/Asset	22.82	(10.62)
- Current	-	(0.39)
- Non-Current	22.82	(10.23)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
V. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof:		
As at the beginning of the year	59.68	58.81
Expected Interest income of assets	6.74	3.74
Contributions made	92.22	-
Benefit paid from the fund	(4.20)	(2.63)
Actuarial Gain/(Loss)	(3.42)	(0.24)
As at the end of the year	151.03	59.68
VI. Net (Liability)/Asset recognized in the balance sheet		
Present Value of Benefit Obligations at the end of the year	(128.21)	(70.31)
Fair Value of Plan Assets at the end of the year	151.03	59.68
Net (Liability)/Asset recognized in the Balance Sheet	22.82	(10.62)
VII. Return on Plan Assets		
Expected return on plan assets	6.74	3.74
Actuarial (loss)/gain	(3.42)	(0.24)
Actuarial return on plan assets	3.33	3.50
VIII. The major categories of plan assets as a percentage of total plan assets		
Insurer Managed Funds	100%	100%
IX. Principal actuarial assumptions		
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate	7.48%	6.50%
Attrition Rate	1 to 5%	1 to 5%
Salary Escalation Rate	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Employee benefit plan typically exposes the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover.

Maturity Analysis:

Particulars	(In ₹ lacs)	
	As at March 31, 2022	As at March 31, 2021
Projected Benefit payable in future years from the date of reporting		
1st Following Year	9.29	2.56
2nd Following Year	7.61	2.66
3rd Following Year	6.66	3.61
4th Following Year	15.67	3.05
5th Following Year	9.42	5.61
Sum of Years 6 To 10	73.61	26.86

Sensitivity Analysis:

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	(In ₹ lacs)	
	As at March 31, 2022	As at March 31, 2021
Projected Benefit Obligation on Current Assumptions		
+1% Change in Rate of Discounting	118.62	63.44
-1% Change in Rate of Discounting	139.16	78.36
+1% Change in Rate of Salary Increase	137.60	78.24
-1% Change in Rate of Salary decrease	119.86	63.41
+1% Change in Rate of Employee Turnover	127.91	70.19
-1% Change in Rate of Employee Turnover	128.53	70.43

(B) Compensated absences

The Leave obligations cover the Company's liability for earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance below. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
I. Expenses recognized in the Statement of Profit and Loss:		
Current Service Cost	4.51	2.58
Interest Cost	0.39	0.38
Actuarial losses/(gains)	0.99	0.00
Expenses recognized during the year	5.89	2.97
II. Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
As at the beginning of the year - (Liability)/Asset	(5.97)	(5.81)
Current service cost	(4.51)	(2.58)
Interest Cost	(0.39)	(0.38)
Benefit paid	1.44	2.81
Actuarial (losses)/gains	(0.99)	(0.00)
As at the end of the year - (Liability)/Asset	(10.42)	(5.97)
- Current	(1.30)	(0.26)
- Non-Current	(9.12)	(5.70)

Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Projected Benefit Obligation on Current Assumptions		
+1% Change in Rate of Discounting	9.45	5.25
-1% Change in Rate of Discounting	11.57	6.85
+1% Change in Rate of Salary Increase	11.51	6.83
-1% Change in Rate of Salary decrease	9.50	5.24
+1% Change in Rate of Employee Turnover	10.43	5.95
-1% Change in Rate of Employee Turnover	10.42	5.99

34. SEGMENT REPORTING

The Company's operations falls under single segment namely "Manufacturing of Specialised Chemicals", taking into account the risks and returns, the organization structure and the internal reporting systems.

Segment revenue from "Manufacturing of Specialised Chemicals" represents revenue generated from external customers which is attributable to the Company's country of domicile i.e., India and external customers outside India as under:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from:		
Revenue from operations from outside of India	5,708.58	2,467.07
Revenue from operations from India	20,002.54	21,881.65
Total Revenue from operations	25,711.11	24,348.72

All assets are located in the Company's country of domicile i.e., India.

Three customers (PY: two customers) individually contribute more than 10% of entity's revenues. The total revenue from such entities is given below:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Customer - 1	4,591.58	6,628.34
Customer - 2	2,915.76	3,266.95
Customer - 3	2,704.75	-
Total Revenue from operations	10,212.08	9,895.30

35. RELATED PARTY DISCLOSURES:

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship
Kamalkumar Rajendra Aggarwal	Key Management Personnel
Navdeep Naresh Goyal	
Himanshu Prafulchandra Purohit	
Rajesh Chimanlal Gandhi	
Rajveer Kamal Aggarwal	
Shahilkumar Maheshbhai Kapatel	
Devendra Raj Kumar Mangla (Independent Director up to 17/02/2022)	
Lalit Devidutt Chaudhary	
Neelu Atulkumar Shah	
Samir Chandrakant Patel	
Bharat Chunilal Shah	

Name of Related Party	Nature of Relationship
Minal Kamal Aggrawal	Relative of Key Management Personnel
Puja Sarman Shah	
Parul Utssav Gupta	
Super Industrial Lining Private Limited	Entities over which Key Management Personnel or their Relative have significant influence or Control
Super Chemical Industries	
Supertech Fabrics Private Limited	
Dtech Products Private Limited	
Medicap Healthcare Limited	
Shivam Petrochem Industries	

(ii) Disclosure in respect of Transactions with related parties during the year.

(In ₹ lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Key Management Personnel		
Director Remuneration *		
Kamalkumar Rajendra Aggarwal	358.00	290.00
Navdeep Naresh Goyal	382.00	314.00
Himanshu Prafulchandra Purohit	31.20	26.40
Rajesh Chimanlal Gandhi	31.20	26.40
Rajveer Kamal Aggarwal	24.00	24.00
Remuneration *		
Shahilkumar Maheshbhai Kapatel	5.25	3.52
Director Sitting Fees		
Devendra Raj Kumar Mangla	0.30	0.35
Lalit Devidutt Chaudhary	0.45	0.95
Neelu Atulkumar Shah	0.95	1.30
Samir Chandrakant Patel	0.45	1.20
Bharat Chunilal Shah	0.25	0.10
Rent Expense		
Kamalkumar Rajendra Aggarwal	1.80	1.80
b. Relative of Key Management Personnel		
Rent Expense		
Minal Kamal Aggrawal	1.80	1.80
Puja Sarman Shah	1.80	1.80
Parul Utssav Gupta	1.80	1.80

(In ₹ lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
c. Entities over which Key Management Personnel or their Relative have significant influence or Control		
Purchase of Consumable & Stores		
Super Industrial Lining Private Limited	-	1.15
Supertech Fabrics Private Limited	1.82	0.46
Dtech Products Private Limited	66.11	23.84
Purchase of Property, Plant and Equipment's		
Super Industrial Lining Private Limited	-	6.50
Shivam Petrochem Industries	-	5.50
Medicap Healthcare Limited	-	0.63
Dtech Products Private Limited	124.03	73.69
Purchase of Raw Material		
Shivam Petrochem Industries	6.82	113.91
Super Chemical Industries	3.36	-
Repairs & Maintenance & Other Expense		
Super Industrial Lining Private Limited	3.34	1.85
Supertech Fabrics Pvt Ltd	-	0.13
Dtech Products Private Limited	0.54	1.66
Medicap Healthcare Limited	0.40	0.11
Lifting Charges Paid		
Super Chemical Industries	-	0.78
Sale of Property, Plant and Equipment's		
Shivam Petrochem Industries	-	28.10
Sales commission Received		
Super Chemical Industries	-	4.13
Revenue from Operation		
Super Chemical Industries	56.87	79.15
Shivam Petrochem Industries	159.90	1.41

*Remuneration exclude provision for gratuity since these are based on actuarial valuation on an overall company basis.

Amounts reported are exclusive of GST, wherever applicable.

(ii) Disclosure in respect of Key Managerial Personnel Compensation

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short Term Employment Benefits	831.65	684.32
Post-Employment Benefits	0.65	0.62
Other	-	-

Compensation exclude provision for gratuity since these are based on actuarial valuation on an overall company basis.

(iii) Disclosure in respect of Outstanding Balances at the end of year.

(In ₹ lacs)

Name of the related party and Outstanding Balances	As at March 31, 2022	As at March 31, 2021
a. Key Management Personnel		
Remuneration payable		
Kamalkumar Rajendra Aggarwal	54.73	74.67
Navdeep Naresh Goyal	56.54	87.51
Rajveer Kamal Aggarwal	1.28	1.28
Himanshu Prafulchandra Purohit	2.07	2.07
Rajesh Chimanlal Gandhi	2.04	2.04
Shahilkumar Maheshbhai Kapatel	0.95	0.29
Director Sitting Fees payable		
Devendra Raj Kumar Mangla	0.52	0.26
Lalit Devidutt Chaudhary	0.87	0.82
Neelu Atulkumar Shah	1.65	1.14
Samir Chandrakant Patel	1.10	1.05
Bharat Chunilal Shah	0.05	0.03
Rent Payable		
Kamalkumar Rajendra Aggarwal	0.16	0.17
b. Relative of Key Management Personnel		
Rent Payable		
Minal Kamal Aggrawal	0.14	0.14
Puja Sarman Shah	0.14	0.14
Parul Utssav Gupta	0.14	0.14

(In ₹ lacs)

Name of the related party and Outstanding Balances	For the year ended March 31, 2022	For the year ended March 31, 2021
c. Entities over which Key Management Personnel or their Relative have significant influence or Control		
Trade Payable		
Medicap Healthcare Limited	-	0.03
Dtech Products Private Limited	24.74	22.55
Trade Receivable		
Super Chemical Industries	17.48	22.01
Shivam Petrochem Industries	204.59	-
Advance to Supplier		
Shivam Petrochem Industries	-	24.18

36. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

(In ₹ lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross Debt (Long-term and Short-term borrowings) (A)	3,551.55	485.20
Total Equity (B)	41,718.22	35,369.33
Net Debt to Equity Ratio (A/B)	0.09	0.01

37. DISCLOSURE ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.15 to the financial statements.

37.1 Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities:

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets		
Financial Assets		
At Amortised Cost		
Other Financial Assets (Non-Current and Current)	640.12	4,429.74
Trade Receivables	10,249.05	9,477.28
Cash and cash Equivalents	3,585.23	2,436.00
Other Bank balance	18,822.71	9,748.94
Total	33,297.10	26,091.96
Liabilities		
Financial Liabilities		
At Amortised Cost		
Borrowings (Non-Current and Current)	3,551.55	485.20
Trade Payables	2,387.37	2,258.60
Other Financial Liabilities (Non-Current and Current)	917.39	1,340.98
Lease Liabilities	50.49	137.40
Total	6,906.80	4,222.19

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2022 and year March 31, 2021.

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

37.2 FINANCIAL RISKS MANAGEMENT

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

- (b) Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) MARKET RISK

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

1) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	(In ₹ lacs)	
	As at March 31, 2022	As at March 31, 2021
Financial Assets		
Trade receivables	1,485.04	700.44
Financial Liabilities		
Trade payables	396.04	619.48

Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR, EURO-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

Particulars	(In ₹ lacs)	
	As at March 31, 2022	As at March 31, 2021
Assets:		
Weakening of INR by 5%	74.25	35.02
Strengthening of INR by 5%	(74.25)	(35.02)
Liabilities:		
Weakening of INR by 5%	(19.80)	(30.97)
Strengthening of INR by 5%	19.80	30.97

2) INTEREST RATE RISK

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest-bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like short-term loans.

As at March 31, 2022, financial liability of Rs. 331.71 Lacs (PY Rs. Nil), was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of Rs. 3.32 Lacs (PY Rs. Nil) for the year ended March 31, 2022.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the year.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

(B) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables and loans and advances.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

As at March 31, 2022, the Company had 6 customers (PY: 5 customers) having outstanding more than 5% of total trade receivables that accounted for approximately 64.41% (PY: 62.79%) of total trade receivables outstanding.

(1) TRADE RECEIVABLES:

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

(C) LIQUIDITY RISK

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(In ₹ lacs)

Particulars	As at	Total Amount	Less than 1 year	Above 1 Years
Borrowings				
	31-Mar-22	3,551.55	3,491.32	60.22
	31-Mar-21	485.20	302.76	182.44
Trade payable				
	31-Mar-22	2,387.37	2,387.37	-
	31-Mar-21	2,258.60	2,258.60	-
Other Financial Liability				
	31-Mar-22	917.39	710.63	206.77
	31-Mar-21	1,340.98	844.73	496.24
Lease Liabilities				
	31-Mar-22	50.49	31.49	19.00
	31-Mar-21	137.40	31.30	106.10

38. CORPORATE SOCIAL RESPONSIBILITES (CSR)

- a) As per Section 135 of the Companies Act, 2013, ("the Act") a Company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities.
- b) The disclosure in respect of CSR Expenditure is as under:

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross amount required to be spent by the Company during the year	133.46	110.33
Surplus arising out of CSR Project	-	-
Set off available from Previous Years	-	-
Total CSR obligation for the year	133.46	110.33
Amount approved by the Board to be spent during the year	133.46	110.33
Amount Spent during the Year	113.59	17.12
Set off available for succeeding years	(4.52)	-
Shortfall at the end of the year	24.39	93.22

c) Reason for shortfall:

Shortfall at the end of the year March 31, 2022, Rs. 24.39 Lacs is towards the ongoing project and transferred to special CSR unspent account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Shortfall at the end of the year March 31, 2021, Rs. 93.22 Lacs is required to transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Accordingly, the Company has transfer the said amount as on September 30, 2021 to PM CARES Fund.

d) Amount spent during the year on:

(In ₹ lacs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	In cash	Yet to be paid In cash*	Total	In cash	Yet to be paid In cash*	Total
(i) Construction Acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above						
Eradicating hunger	2.00	-	2.00	1.20	-	1.20
Rural development	25.42	-	25.42	1.00	-	1.00
Livelihood enhancement	-	-	-	0.70	-	0.70
Skill Development	-	-	-	8.00	-	8.00
Promoting Education	5.38	-	5.38	5.00	-	5.00
Healthcare	69.79	-	69.79	1.22	-	1.22
Empowering women, setting up homes and hostels for women	11.00	-	11.00	-	-	-
Total	113.59	-	113.59	17.12	-	17.12

*Provisions made for liabilities incurred

e) The details pursuant to requirements of Section 135(5) for unspent amount (Other than Ongoing Project):

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance - (Liability)/Asset	(93.22)	-
+ Amount deposited in Specified Fund of Sch. VII within 6 months	93.22	-
- Amount required to be spent during the year	(84.68)	(110.33)
+ Amount spent during the year	89.20	17.12
Closing Balance - (Liability)/Asset	4.52	(93.22)

f) The details pursuant to requirements of Section 135(6) for unspent amount (Ongoing Project):

(In ₹ lacs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	With Company *	In CSR Unspent Account	Total	With Company *	In CSR Unspent Account	Total
Opening Balance (Liability)/Asset	-	-	-	-	-	-
+/- Amount Transfer to CSR Unspent Account	-	5.00	5.00	-	-	-
- Amount required to be spent during the year	(48.78)	-	(48.78)	-	-	-
+ Amount spent during the year	24.39	-	24.39	-	-	-
Closing Balance (Liability)/Asset	(24.39)	5.00	(19.39)	-	-	-

*Amount to be transfer to Separate CSR Unspent Account within 30 days of the end of financial year.

39. EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Earnings Per Share has been computed as under:		
Profit attributable to equity holders of the Company (Numerator)	6,275.66	5,639.82
Weighted average number of equity shares outstanding (Denominator)	366.31	342.24
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each)		
Basic (Rs.)	17.13	16.48
Diluted (Rs.)	17.13	16.48

40. LEASES

Company as a lessee

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

(a) Amounts recognised in the Balance Sheet

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Right-of-use Asset		
Cost	130.56	232.05
Accumulated Depreciation	83.48	90.08
Net Carrying Amount	47.07	141.96
(ii) Lease liabilities - Borrowings		
Beginning of the year	137.40	123.31
Additions	46.61	66.18
Accretion of interest	7.99	15.63
Payments	(36.36)	(67.72)
Deletion	(105.15)	-
Closing of the year	50.49	137.40
Current	31.49	31.30
Non-Current	19.00	106.10

(b) Amounts recognised in the Statement of Profit and Loss

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Finance Cost		
Interest Expense on Lease Liability	7.99	15.63
(ii) Depreciation		
Depreciation on right of use lease asset	35.57	57.44

(c) Amounts recognised in Cash Flow Statement

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	35.58	67.72

(d) Expense relating to short-term leases and Low value

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount recognised in statement of Profit and Loss	4.05	12.71

41. IPO PROCEEDS AND ITS UTILISATION

During the financial year ended March 31, 2021, the Company had completed the Initial Public Offer (IPO) 93,52,941 Equity Shares having face value of Rs. 10/- each at an issue price of Rs. 340/- per Equity Share, comprising offer for sale of 45,00,000 equity shares by Selling Shareholders and fresh issue of 48,52,941 equity shares. These equity shares were allotted on September 29, 2020 and were listed on October 1, 2020 on BSE Limited and National Stock Exchange of India Limited.

Utilisation of Net IPO Proceeds:

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	8,593.92	-
Add: Net Proceed		
Gross Proceed from Fresh issue	-	16,500.00
Less: Offer Related Expenses	-	1,465.07
	-	15,034.93
Less: Amount paid/invested:		
Capital expenditure towards expansion of Manufacturing Facility	3,007.46	1,095.88
Incremental working capital requirement	-	4,000.00
General corporate purposes	176.92	1,345.14
	3,184.38	6,441.02
Balance amount unutilised	5,409.54	8,593.92

IPO Proceeds which were unutilised as at year end were temporarily invested in deposits with scheduled commercial bank.

The expenditure related to issue of equity shares of the Company by way of fresh issue amounting to Rs. 1,465.07 Lacs is adjusted towards the securities premium.

42. DISCLOSURE REQUIREMENT UNDER MSMED ACT, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(In ₹ lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		
- Principal		
Trade Payable	68.51	59.36
Capital creditors	3.35	1.42
- Interest	-	-
2. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-

3. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
4. Interest accrued and remaining unpaid as at year end	-	-
5. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

This information has been determined to the extent parties have been identified based on confirmation received from parties. Based on current information/confirmations available with the company, there are no overdue payable to suppliers who are registered under the relevant Act.

43. DISCLOSURE OF KEY RATIOS

(In ₹ lacs)

Sr. No.	Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for Variance if above 25%
1.	Current Ratio (times)	Total Current Assets	Total Current Liabilities	4.84	7.08	-31.55%	Decrease is primarily on account of higher outstanding advances taken from Customers for supply of Goods and utilisation of Overdraft facility in financial year 2021-22.
2.	Debt-equity Ratio (times)	Total Debt	Total equity	0.09	0.01	520.58%	Increase is primarily on account of utilisation of Overdraft facility in financial year 2021-22.
3.	Debt service coverage Ratio (times)	Earnings available for debt service (1)	Debt service (2)	17.62	4.45	296.17%	Increase is primarily on account of lower outstanding borrowing due to prepayment of term loans in financial year 2020-21.
4.	Return on equity Ratio (%)	Profit for the year	Average total equity	16.28%	22.56%	-6.27%	-

Sr. No.	Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for Variance if above 25%
5.	Inventory turnover Ratio (times)	Sale of Products	Average Inventory	5.33	4.25	25.44%	Increase is primarily on account of reduction in Inventory and due to provision for Non-moving items as at March 31. 2022.
6.	Trade receivables turnover Ratio (times)	Revenue from contracts with customers	Average trade receivables	2.60	2.65	-1.69%	-
7.	Trade payables turnover Ratio (times)	Net Credit Purchases	Average trade payable for Goods	4.74	6.31	-24.84%	-
8.	Net capital turnover Ratio (times)	Revenue from contracts with customers	Average working capital	0.86	1.00	-13.50%	-
9.	Net profit Ratio (%)	Profit for the year	Revenue from contracts with customers	24.44%	23.19%	1.26%	-
10.	Return on capital employed (%)	Profit before tax add finance costs Less Other Income	Capital Employed	16.64%	20.93%	-4.29%	-

- 1) Net Profit after taxes + non-cash operating expenses + Finance costs + Other Non-cash adjustments
- 2) Interest and lease payments + Principal repayments
- 3) During the current and previous year, the Company has not made investments or earned income on the investments. Accordingly, ratio for Return on Investments has not been presented.

44. OTHER STATUTORY INFORMATION

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

- c) The Company has utilised funds raised from issue of securities or borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
- d) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
- e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) 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:
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) There are no transactions and / or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- h) The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- k) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- l) Quarterly return/statement of current assets filed by the company with bank are in agreement with the books of accounts.

45. GPCB CLOSURE AND REVOCATION ORDER OF COMPANY OPERATIONS

Pursuant to the issuance of notice dated September 9, 2021, by Gujarat Pollution Control Board (GPCB) directing closure of operations of manufacturing plant situated at Manjusar, Vadodara under Environmental (Protection) Act for the violations of the Hazardous & Other Waste (Management & Transboundary Movement) Rules- 2016 with immediate effect, the operations of the company were closed from September 11, 2021, to October 22, 2021. The Company also paid an Interim Damage Compensation of Rs. 50 lakhs to GPCB, recognised and disclosed under "Other Expenses" for year ended March 31, 2022. Subsequently, upon application for revocation made by the Company along with submission of an undertaking to comply the environmental laws and bank guarantee of Rs. 10 lakhs, GPCB, vide its revocation order dated October 22, 2021, granted temporary revocation of closure directions issued to the company for three months' subject to compliance of conditions as stated in the said order. Subsequently, The Company made representation with the GPCB for a permanent revocation of the closure order vide application dated

December 6, 2021 and granted with permanent revocation of closure order on May 19, 2022 with no additional compensation damages.

46. REGROUPING | RECLASSIFICATION

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

47. IMPACT OF COVID-19 OUTBREAK

Covid-19 pandemic has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in markets across the globe. The Company has considered relevant internal and external sources of information and its impact on the recoverability of financial and non-financial assets while preparation of these financial results. The Company will continue to closely monitor any material changes to future economic conditions.

The accompanying Notes form an integral part of the Financial Statements

As per our report of even date

For K C Mehta & Co

Chartered Accountants

Firm Registration No: 106237W

For and on behalf of the Board of Directors

CHEMCON SPECIALITY CHEMICALS LIMITED

Neela R. Shah

Partner

Membership No. 045027

Kamalkumar Aggrawal

Chairman & Managing Director

DIN: 00139199

Navdeep Goyal

Deputy Managing Director

DIN: 02604876

Place: Vadodara

Date: May 26, 2022

Rajesh Gandhi

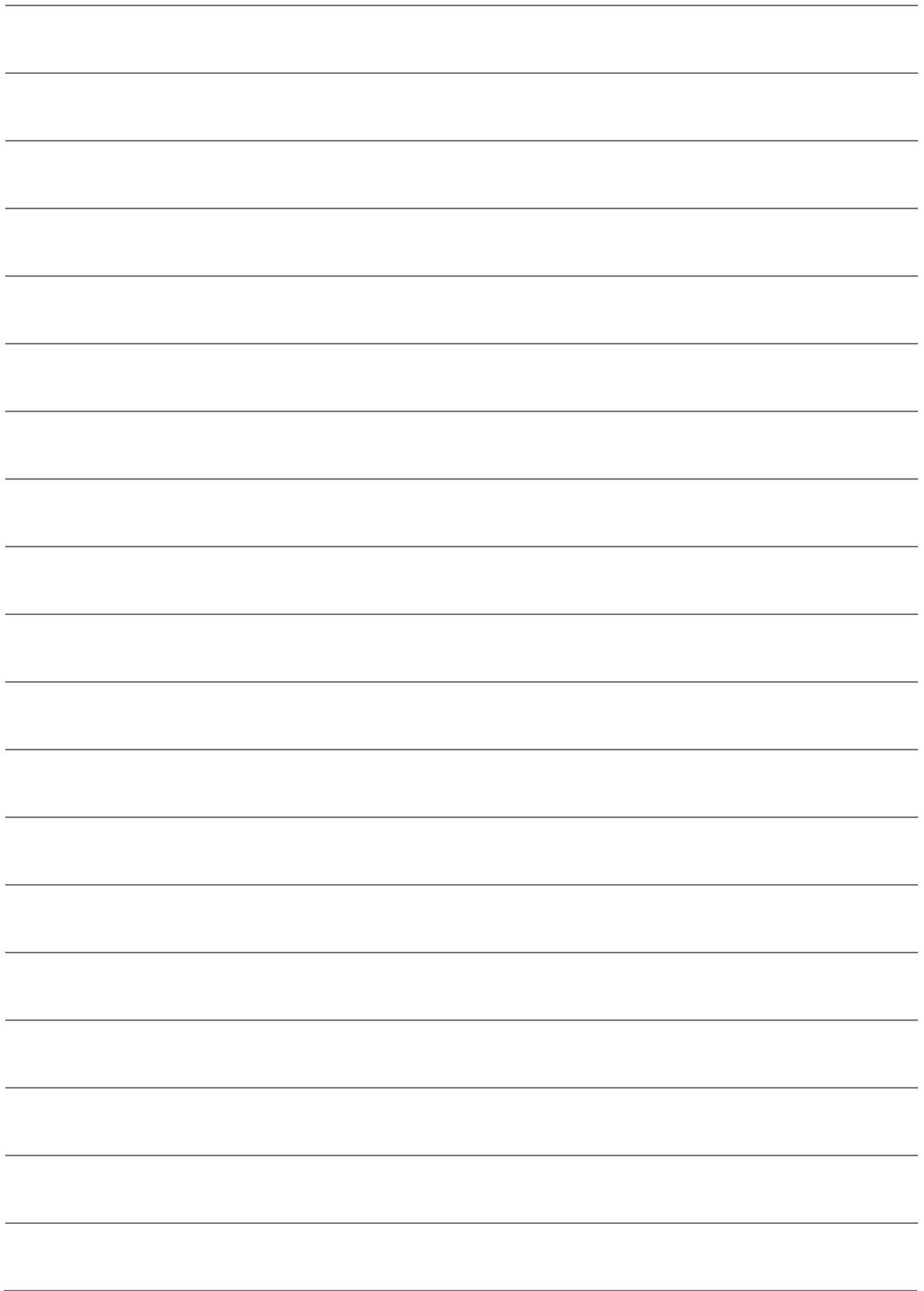
Whole-time Director and CFO

DIN: 03296784

Shahilkumar Kapatel

Company Secretary

ACS: 52211





CHEMCON
Speciality Chemicals Ltd.