

Regd. Office :-

T-7, National Plaza, R. C. Dutt Road,
Alkapuri, Vadodara-390 007, INDIA

Phone : +91 265 2344803/2358903

Fax : +91 265 2332910

Website : www.chemcrux.com

Email : girishshah@chemcrux.com



September 28, 2018

To,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Dear Sir/Madam,

Subject: Submission of Annual Report for the Financial Year 2017-2018

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

Pursuant to regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the Financial Year 2017-2018.

Kindly take the above information on record.

Thanking you,

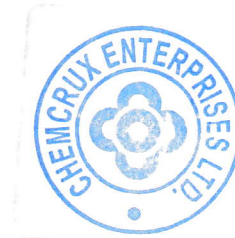
Yours faithfully,

For, CHEMCRUX ENTERPRISES LIMITED

Ekta Kumari

Ekta Kumari Srivastava
Company Secretary and Compliance Officer

Encl: Annual Report 2017-2018



Factory

4712-14, GIDC, Road South - 10, Ankleshwar - 393002 (Gujarat) India.
Ph.: +91 2646 221427, 239737 | Fax : +91 2646 251469 | Email : sanjay@chemcrux.com



CHEMCRUX
ENTERPRISES LTD.

ANNUAL REPORT
2017-18



CHEMCRUX ENTERPRISES LIMITED
ANNUAL REPORT 2017-18

CIN: L01110GJ1996PLC029329

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

Website : www.chemcrux.com

Corporate Information

BOARD OF DIRECTORS

Mr. Girishkumar C. Shah - Chairman & Whole
Time Director
Mr. Sanjay Marathe - Managing Director
Mrs. Sidhdhi G. Shah - Director
Mrs. Neela S. Marathe - Director
Mr. Shailesh H. Patel - Independent Director
Mr. Bhanubhai V. Patel - Independent Director

KEY MANAGERIAL PERSONNEL

Mr. P.V. Tiwari - CFO
Mr. Alpesh Makwana - Company Secretary*
Mrs. Ekta Kumari - Company Secretary**

* Resigned w.e.f. March 01, 2018

**Appointed w.e.f. May 8, 2018

BANKERS:

Kotak Mahindra Bank Limited

REGISTERED OFFICE:

T-7, National Plaza,
R. C. Dutt Road, Alkapuri,
Vadodara- 390 007 INDIA
Ph: +91-0265-2344803/2358903

WORKS :

4712-14, GIDC
Road South 10,
Ankleshwar - 393002
Gujarat, INDIA

BOARD COMMITTEES

Audit Committee

Mr. Shailesh Patel (Chairman)
Mr. Bhanubhai Patel
Mrs. Neela Marathe

Remuneration Committee

Mr. Bhanubhai Patel (Chairman)
Mr. Shailesh Patel
Mrs. Sidhdhi Shah

Stakeholders Relationship Committee

Mr. Shailesh Patel (Chairman)
Mr. Bhanubhai Patel
Mrs. Sidhdhi Shah

AUDITORS

Statutory Auditors:

Talati & Talati, Chartered Accountants
1006, OCEAN, Sarabhai Road,
Near Genda Circle
Vadodara-390 023

Internal Auditors:

Naresh & Co., Chartered Accountants
City Enclave, Opp. Polo Ground
Vadodara - 390001

Secretarial Auditors:

Kashyap Shah & Co.
B 203, Manubhai Tower
Sayajigunj, Vadodara -390005

Registrar & Share Transfer Agent:

BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis,
Makwana Road, Marol ,
Andheri - East, Mumbai - 400059
E-mail id: info@bigshareonline.com

WEBSITE : www.chemcrux.com

CIN : L01110GJ1996PLC029329

Investors Relations Mail ID :

companysec@chemcrux.com

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CHEMCRUX ENTERPRISES LIMITED

CIN: L01110GJ1996PLC029329

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

Ph: +91-0265-2344803/2358903

Email: girishshah@chemcrux.com Website: www.chemcrux.com

NOTICE

NOTICE is hereby given that the Twenty Second (22nd) Annual General Meeting of Members of **CHEMCRUX ENTERPRISES LIMITED** (the Company) will be held on **Thursday, the 27th day of September, 2018 at 02:00 p.m at EXIM Club (Association of Exporters & Importers), 2nd Floor, West Wing, Offtel Towers No. 1, B/h Stop-N-Shop Plaza, Near Vivekanand Memorial, R.C. Dutt Road, Alkapuri, Vadodara 390007, District Vadodara, in the State of Gujarat** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 including the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss and Cash Flow for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on equity shares of the Company for the financial year ended 31st March, 2018, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT dividend at the rate of 2.5% (Rs. 0.25 per Equity Share) to the equity shareholders of the Company whose name appear in the Register of Members on September 19, 2018 be and is hereby declared out of the profits of the Company, for the year ended on 31st March 2018.”

3. To appoint a Director in place of Mrs. Neela Marathe (DIN: 00469204), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. R. J. Shah & Associates, Vadodara as Statutory Auditors and to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. R. J. Shah & Associates, Chartered Accountants, Vadodara having ICAI Firm Registration No. 109752W, who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 27th Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. To re-appoint Mr. Girishkumar C. Shah (DIN 00469291) as Whole Time Director of the Company and in this regard pass the following resolution as a **SPECIAL RESOLUTION** :

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Girishkumar C. Shah (DIN: 00469291) as a Whole-time Director, designated as Executive Chairman of the Company, for a further period of 5 (five) years from the expiry of his present term of office that is on 31st December, 2018 and starting with effect from January 1, 2019 till 31st December, 2023 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Girishkumar C. Shah;



RESOLVED FURTHER THAT consent of the members be and is hereby accorded to the revision of remuneration of Mr. Girishkumar C. Shah (DIN 00469291) Whole Time Director of the Company as recommended by Nomination and Remuneration Committee and approved by the Board of Directors at the meeting held on May 8, 2018 so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 which will be effective from April 1, 2018 till 31st March, 2021 for a period of three years on the terms and conditions as set out in the statement annexed to the notice;

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

6. To re-appoint Mr. Sanjay Y. Marathe (DIN 01316388) as Managing Director of the Company and in this regard pass the following resolution as a **SPECIAL RESOLUTION** :

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Sanjay Y. Marathe (DIN: 01316388) as Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is on 31st December 2018 and starting with effect from January 1, 2019 till 31st December, 2023 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactments thereof, for the time being in force), or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Sanjay Y. Marathe;

RESOLVED FURTHER THAT consent of the members be and is hereby accorded to the revision of remuneration of Mr. Sanjay Y. Marathe (DIN 01316388) Managing Director of the Company as recommended by Nomination and Remuneration Committee and approved by the Board of Directors at the meeting held on May 8, 2018 so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 which will be effective from April 1, 2018 till 31st March, 2021 for a period of three years on the terms and conditions as set out in the statement annexed to the notice;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

For CHEMCRUX ENTERPRISES LIMITED

Place: Vadodara
Date: 24th August, 2018

Sd/-
GIRISHKUMAR C. SHAH
CHAIRMAN (DIN 00469291)

NOTES:

- 1. The Register of members and Share Transfer Books of the Company will remain closed from Thursday 20th September, 2018 to Thursday 27th September, 2018 (both days inclusive) for annual book closing and record date shall be as on Wednesday 19th September, 2018 for determining the entitlement of shareholders to the final dividend.**
2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the special business at the meeting, is annexed hereto.
- 3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.



4. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
6. In terms of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.
7. Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Board of Directors for the year ended 31st March, 2018, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 19/09/2018 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 19/09/2018.
7.1 In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.
8. M/s. Bigshare Services Private Limited, the Registrar and Transfer Agent (RTA) having their administrative office situated at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol Andheri – East, Mumbai – 400059 in the State of Maharashtra, is handling registry work in respect of shares held both in physical form and in electronic/demats form. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and shares certificates should be sent either to the RTA or at the registered office of the Company.
9. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
10. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
11. Members are requested to intimate the Company of queries, if any, regarding the accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the meeting.
12. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sundays, upto and including the date of Annual General Meeting of the Company.
13. **Green Initiative – Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically. Members may also note that annual Report for the FY 2017-18 will also be available on the website of the Company viz. www.chemcrux.com.**

By order of the Board of Directors
For CHEMCRUX ENTERPRISES LIMITED

Place: Vadodara
Date: 24th August, 2018

Sd/-
GIRISHKUMAR SHAH
CHAIRMAN
DIN: 00469291



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

Special Business : Item No. 5

The Board of Directors of the Company ("the Board") at its meeting held on August 24th, 2018 have, subject to approval of members, reappointed Shri Girishkumar Shah (DIN: 00469291) as the Wholetime Director, designated as Executive Chairman, for a further period of 5 (five) years from the expiry of his present term i.e. 31st December, 2018 and effective from January 1, 2019 till 31st December, 2023, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board. It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Girishkumar Shah as a Wholetime Director, designated as Executive Chairman of the Company, in terms of the applicable provisions of the Act.

Pursuant to recommendation of Nomination and Remuneration Committee and approval of Board of Directors Meeting held on May 8, 2018, the remuneration of Whole Time Director Mr. Girishkumar Shah was revised from Rs. 2.5 lacs to Rs. 3.5 lacs per month effective from April 1, 2018 till 31st March 2021, subject to the limits contained in provisions of Schedule V for a period of three years and subject to the approval by the members in General Meeting.

The Company has not committed any default in repayment of any of its debt (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Girishkumar Shah are as under:

Period of Appointment:

From 1st January 2019 to 31st December 2023

Remuneration:

(a) By way of Salary, perquisites and Allowance, aggregating to Rs. 3,50,000/- p.m.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule V of the Companies Act, 2013, the remuneration payable to Mr. Girishkumar Shah.

(b) In addition to above mentioned remuneration, Mr. Girishkumar Shah shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:

- i. Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
- ii. Gratuity payable as per the rules of the Company.
- iii. Leave encashment at the end of the tenure.
- iv. The provision for use of Company's car with driver is for official use. However, use of car for private purposes shall be borne by Mr. Girishkumar Shah.
- v. Company's telephone at his residence.
- vi. Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Girishkumar Shah, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013 and any amendments thereto.

Entrusted Duties:

Subject to the supervision and control of the Board of Directors of the Company, the Executive Chairman cum Whole Time Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to him by the Board of Directors from time to time.

**Confidentiality:**

Mr. Girishkumar Shah will perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board, and further not to disclose to any person, firm or Company any confidential information.

Liable to Retire by Rotation:

The office of director of Mr. Girishkumar Shah shall be liable to retire by rotation.

Sitting Fees:

As long as Mr. Girishkumar Shah functions as Executive Chairman cum Whole Time Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

Re-imbursment of Expenses, Costs etc.:

The Whole Time Director shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

Termination:

Either party shall have liberty to terminate the aforesaid appointment, by giving six months notice in writing to the other.

Mr. Girishkumar Shah satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Mr. Girishkumar Shah. His wife Mrs. Sidhhi Shah (Non – executive Director) is interested in the resolution set out at Item No. 5 of the Notice. The relatives of Mr. Girishkumar Shah may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

[The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.](#)

Special Business : Item No. 6

The Board of Directors of the Company (“the Board”) at its meeting held on August 24th 2018 have, subject to approval of members, reappointed Mr. Sanjay Y. Marathe (DIN: 01316388) as the Managing Director, for a further period of 5 (five) years from the expiry of his present term on 31st December 2018 and effective from January 1, 2019 till 31st December, 2023, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board. It is proposed to seek members’ approval for the re-appointment of and remuneration payable to Mr. Sanjay Y. Marathe as Managing Director of the Company, in terms of the applicable provisions of the Act.

Pursuant to recommendation of Nomination and Remuneration Committee and approval of Board of Directors Meeting held on May 8, 2018, the remuneration of Managing Director Mr. Sanjay Marathe was revised from Rs. 2.5 lacs to Rs. 3.5 lacs per month effective from April 1, 2018 till 31st March 2021, subject to the limits contained in provisions of Schedule V for a period of three years and subject to the approval by the members in General Meeting.

The Company has not committed any default in repayment of any of its debt (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Sanjay Marathe are as under:

Period of Appointment:

From 1st January 2019 to 31st December 2023

Remuneration:

(a) By way of Salary, perquisites and Allowance, aggregating to Rs. 3,50,000/- p.m.



Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule V of the Companies Act, 2013, the remuneration payable to Mr. Sanjay Y. Marathe,

(b) In addition to above mentioned remuneration, Mr. Sanjay Y. Marathe shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:

- i. Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
- ii. Gratuity payable as per the rules of the Company
- iii. Leave encashment at the end of the tenure
- iv. The provision for use of Company's car with driver is for official use. However, use of car for private purposes shall be borne by Mr. Sanjay Marathe.
- v. Company's telephone at his residence.
- vi. Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Sanjay Y. Marathe, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013 and any amendments thereto.

Entrusted Duties:

Subject to the supervision and control of the Board of Directors of the Company, the Managing Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to him by the Board of Directors from time to time.

Confidentiality:

Mr. Sanjay Y. Marathe will perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board, and further not to disclose to any person, firm or Company any confidential information.

Not Liable to Retire by Rotation:

During his tenure as Managing Director of the Company, the office of Mr. Sanjay Y. Marathe shall not be reckoned for the purpose of arriving Directors liable to retire by rotation.

Sitting Fees:

As long as Mr. Sanjay Y. Marathe functions as Managing Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

Re-imbusement of Expenses, Costs etc.:

The Managing Director shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

Termination:

Either party shall have liberty to terminate the aforesaid appointment, by giving six months notice in writing to the other.

Mr. Sanjay Y. Marathe satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Mr. Sanjay Marathe and his wife Mrs. Neela Marathe (Non – executive director) is interested in the resolution set out at Item No. 6 of the Notice. The relatives of Mr. Sanjay Y. Marathe may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.



The Board commends the special resolution set out at Item No. 6 of the Notice for approval by the members.

STATEMENTS AS PER PART II OF SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013

In terms of provisions contained in section II Part II of Schedule V of the Companies Act, 2013, in case of inadequate profit for managerial remuneration, the relevant details regarding the performance of the Company and of the appointee are furnished hereunder:

General Information:

1) Nature of Industry	Manufacturing of Organic & Inorganic Chemicals
2) Date of Commencement of Commercial Production	Since incorporation
3) Financial Performance for the Financial Year ended 31.03.2018	Total Income : Rs. 31,75,99,087 Profit Before Tax & Provisions : Rs. 4,04,33,032 Profit After Tax : Rs. 2,36,32,174 Debt Equity Ratio : 0.82 Current Ratio : 1.63 Net Worth : Positive
4) Export Performance	For the year ended on 31.03.2018, the Company has achieved export turnover value of Rs. 4,81,97,615/-
5) Foreign Investment or Collaboration	The Company does not have any Foreign Investment or collaboration.

Information about the Appointee:

Background Details:

Mr. Girishkumar Shah and Mr. Sanjay Marathe are founder promoters of the Company since inception. They have been associated with the management of the Company since long & have been holding the position of Whole Time Director / Managing Director since many years. Both of them have vast experience in chemical and allied industries.

Past Remuneration – Both Mr. Girishkumar Shah and Sanjay Marathe were paid a monthly remuneration of Rs. 2,50,000/- (As on 31st March, 2018)

Recognition of Awards: -- NIL

Job Profile and Suitability:

Mr. Girishkumar Shah – Girishkumar Shah is the Promoter, Executive Chairman and Whole Time Director of the Company. He has been the Director of the Company since incorporation and is also one of the subscribers of MOA of the Company. He holds a degree in Bachelor of Engineering in Chemical from the Maharaja Sayajirao University of Vadodara (M.S. University) and postgraduate in Industrial Management from Indian Institute of Science, Bangalore (I.I.S.C Bangalore) He has an experience of more than 30 years in chemical industry. At present he heads Marketing and Finance division of the Company. He has a vast experience, knowledge and expertise in the industry. His candidature as the Whole Time Director of Company is most suitable and in the best interest of the Company.

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

Remuneration Proposed to both the appointees – The remuneration proposed to Mr. Girishkumar Shah and Mr. Sanjay Marathe is Rs. 3,50,000/- per month aggregating to Rs. 42,00,000/- per annum respectively.



Comparative Remuneration profile with respect to industry, size of the Company, profile of the person and position : The remuneration profile of the Whole Time Director and Managing Director cannot be exactly compared with respect to industry, size of the Company, profile of the person and position.

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Other than receipt of managerial remuneration, both the directors do not have any pecuniary relationship with the Company. Mr. Girishkumar Shah is related to Mrs. Sidhhi Shah (Non – executive Director) and Mr. Sanjay Marathe is related to Mrs. Neela Marathe (Non -executive Director) as husband and wife.

Other Information:

Reason for inadequacy of profits, steps taken for improvement and expected increased in productivity:

The Company is an MSME, Medium sized Company. The scale of operations is medium sized and is not enough to sustain required profitability. However the revenue and turnover of the Company is growing at a steady rate. Other reasons for low profitability are higher cost towards increasing raw material prices, other direct costs and depleted margins due to intensified global competition. Effective steps are taken to improve the performance of the Company by reducing cost of production and other direct cost and by strengthening existing manufacturing facilities and by ensuring increase in turnover effectively. This would help the Company to achieve better economies of scale, larger volume and improved profitability.

Steps taken or proposed to be taken for improvement. The Company is working on expansion and diversification, digitization of operations and processes, cost optimisation, sales maximization focusing on overseas markets and exports. The Company is also aiming for value-added product offerings, capacity expansion of captive plant, reduction in cost of manufacturing and diversification in new high value chemical products.

Expected increase in productivity and profits in measurable terms - During the year 2017-18 revenue increased at a growth rate of 14.06% and Gross Profit (EBDIT) increased at the rate of 32.20% as compared to preceding years figures. The Company expects growth in turnover and revenue at the rate of 20% and Gross Profit (EBDIT) at the rate of 30% (approx.) on Y-o-Y basis.

Disclosures

The following disclosures as may be applicable has been mentioned in the financial statements:

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors – Extract of Annual Return MGT 9 at <http://www.chemcrux.com/investor-info.php>
- (ii) details of fixed component and performance linked incentives along with the performance criteria – **N.A**
- (iii) service contracts, notice period, severance fees – **N.A**
- (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable – **N.A**



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

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

Name of Director	Neela Marathe
Date of Birth	30/11/1961
Date of Appointment	31/12/1999
Expertise in Specific Functional Area	Accounts, Management & Administration
Qualifications	B.Com
Directors in other public limited companies	NIL
Other positions	NIL
Membership of committees in other public limited companies	NIL
Inter relationship	Promoter Group
Shares held in the company	24

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

Name of Director	Sanjay Marathe
Date of Birth	05/11/1956
Date of Appointment	15/04/1996
Expertise in Specific Functional Area	Management, Administration & Chemical Engineering
Qualifications	B.E.(Chem. Eng.), M.Tech (IIT Powai)
Directors in other public limited companies	NIL
Other positions	NIL
Membership of committees in other public limited companies	NIL
Inter relationship	Promoter
Shares held in the company	18,00,080

BOARD'S REPORT

Your Directors have pleasure in presenting the 22nd Board Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2018.

1. FINANCIALS:

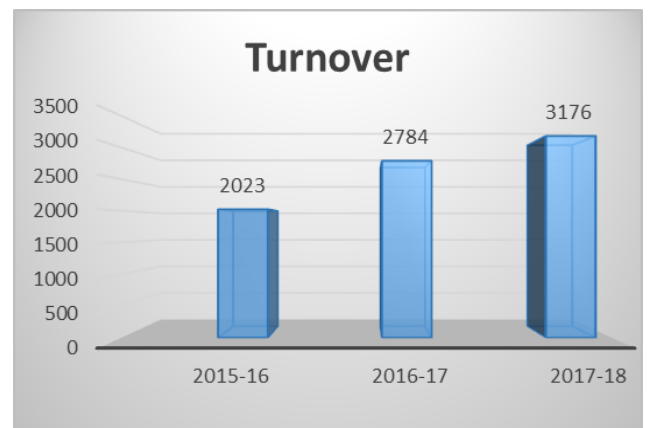
PARTICULARS	[Rupees in Lacs]	
	2017-18	2016-17
Revenue from Operations	3146.47	2749.76
Other Income	29.52	34.71
Total Revenue	3175.99	2784.47
Less: Expenses before Interest and Depreciation	2673.55	2404.41
Less: (a) Interest	31.09	35.45
(b) Depreciation	67.02	55.44
Profit before Tax & Extra Ordinary Items	404.33	289.18
Less : Prior period expenses	-	00.30
Less: Prior year's Income Tax Adjustment	-	3.44
Profit Before Tax	404.33	285.44
Less: Tax Expenses		
Current Tax	104.11	80.00
Deferred Tax	63.89	55.61
Profit after Tax	236.32	149.83

2. DIVIDEND:

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

3. OPERATIONAL HIGHLIGHTS:

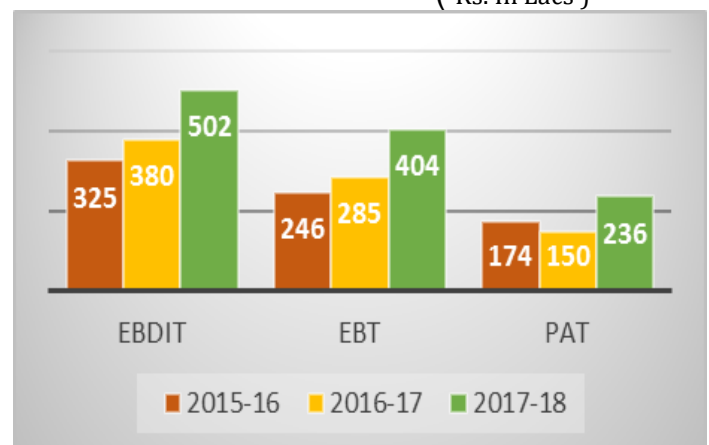
Your Company's Revenue increased to Rs. 31.76 crore in FY18 as compared to Rs. 27.84 crore in previous year FY17 recording a remarkable growth of 14.06% (YoY) despite operational period of 10 months and volatile raw materials prices which have been well absorbed by higher sales volume and better product value realisation. Export Turnover grew remarkably by 36.13% to reach 4.82 crore as compared to P/Y figure of 3.54 crore.



(Rs. In Lacs)

Net profit increased to Rs. 2.36 crore in FY18 compared to Rs. 1.49 crore during the same period of last year, representing 57.73 % increase in profits. The Company managed to register a commendable growth in profits inspite of increasing overhead costs and non operation of plant for two months.

EBIDTA increased to Rs, 5.02 crore from Rs. 3.80 crore as compared to same period last year recording a growth of 32.20% due to sales growth propelled by increase in demand of its products.





4. SHARE CAPITAL:

At present, the Company has only one class of share – Equity shares of face value of Rs. 10 each. The authorized share capital of the company is Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 4,93,62,800/- divided into 49,36,280 equity shares of Rs. 10 each. The Company had raised fund through Public Issue of shares in F/Y 2016-17 and the equity shares of the Company are now listed on SME platform of BSE Limited.

5. IPO FUND UTILISATION:

The Company had raised the fund to meet the working capital requirement and general corporate purpose in the F/Y 2016-17. The amount raised in IPO has been fully utilized for the specified purposes. Particulars of the utilization of fund raised through Public Issue in the month of March, 2017 is as below:

Particulars	Amount allotted for Object, as disclosed in the Prospectus (Rs.)	Utilization of fund received from allotment of shares till September 30, 2017 (Rs.)	Balance amount to be utilized (Rs.)	Deviation (if any) (Rs.)
For IPO Issue Expense	40,00,000	39,76,952	-	(23,048)
For General Corporate Purpose	40,48,000	40,48,000	-	-
For Working Capital Purpose	1,60,00,000	1,60,23,048	-	23,048
Total	2,40,48,000	2,40,48,000	-	-

6. TRANSFER TO RESERVE:

The Company proposes to transfer Rs. 2,21,40,878 to its General Reserve.

7. CREDIT FACILITIES:

The Company has been optimally utilizing its fund based and non fund based working capital requirements as tied up with Kotak Mahindra Bank Limited. During the year Company transferred its Banking facilities from State Bank of India to Kotak Mahindra Bank Limited. All the dues of State Bank of India were cleared. The Company was comfortable in meeting its financial requirements from Kotak Mahindra Bank Limited. Effective financial measures have been continued to reduce cost of interest and bank charges.

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

There is no amount outstanding to be transferred as unclaimed dividend to investor education and protection fund.

9. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET DATE :

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the Board Report.

10. ORDER OF AUTHORITIES :

At the time of filing Draft Prospectus for public issue of 13,36,000 equity shares of the Company, there was a reference of litigation against the Company by Commercial Tax Officer, Ankleshwar relating to pending sales tax liability of Rs. 32,91,032/-. In the aforesaid matter, Deputy Commissioner of Commercial Tax has granted relief by way of setting aside entire sales tax liability of Rs. 32,91,032/- vide its order dated 28.02.2018 and has granted refund of Rs. 15,03,636/- to the Company vide its final order dated 23.03.2018. As on date there is no pending Tax liability.

The Company received on 4th August, 2017 closure notice of the factory located at 4712 -14, GIDC, Road South 10, Ankleshwar, Gujarat from Gujarat Pollution Control Board (GPCB) for non compliance of



certain technical requirements observed by them. However Company quickly responded to resolve the issue and the factory operations were reinstated vide GPCB order dated 04/10/2017.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as under:

(A) Conservation of energy:

Steps taken / impact on conservation of energy, with special reference to the following:
Steps taken by the company for utilizing alternate sources of energy including waste generated : NIL

(B) Technology absorption:

1. Efforts in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
The Company has not entered into any technology based ventures during the year under review. However the Company aims for digitisation of processes of purchase, sales, marketing and other operations over next year and gradual increase in manpower, facilities and office workspace.
2. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
The Company has not imported any technology and hence not applicable.
3. Expenditure incurred on Research and Development :
The Company has not incurred any expenditure on research and development

(C) Foreign exchange earnings and Outgo:

PARTICULARS	Amt (In Rs.)
Foreign Exchange earned in terms of actual inflows during the year	4,11,80,272
Foreign Exchange outgo during the year in terms of actual outflows	2,54,64,936

12. RISK MANAGEMENT:

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

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 is not applicable to the Company.

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

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

15. RELATED PARTY TRANSACTIONS:

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



The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Regulations. This Policy has been uploaded on the website of the Company at www.chemcrux.com/investor-info.php under investors info/Corporate Policy link.

16. DIRECTORS / KEY MANAGERIAL PERSONNEL:

During the year no directors were appointed or have resigned. Mr. Alpesh Makwana, Company Secretary resigned from office w.e.f. March 1st, 2018.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mrs, Neela Marathe Director retire by rotation and being eligible for re-appointment has offered her candidature for director. The present term of Whole Time Director and Managing Director will expire on 31st December, 2018. They are eligible for reappointment and hence resolution for re-appointment of Whole Time Director and Managing Director is put forth for approval of members.

➤ **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

➤ **REMUNERATION POLICY:**

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

➤ **MEETINGS:**

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Details. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The required particulars of various Committee Meetings held during the year are stated in the Corporate Governance Details.

➤ **DECLARATION OF INDEPENDENT DIRECTORS:**

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

17. AUDIT COMMITTEE AND VIGIL MECHANISM:

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

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.chemcrux.com/investor-info.php>.

18. DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. ANNUAL RETURN:

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

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

21. DEPOSITS:

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

22. AUDITORS:

➤ **STATUTORY AUDITORS**

The Company's Auditors M/s. Talati & Talati Chartered Accountants, Vadodara will retire at ensuing Annual General Meeting of the Company. In terms of section 139 to 141 of the Companies Act, 2013 and the Rules framed thereunder, it has been proposed to make appointment of M/s. R. J. Shah & Associates, Chartered Accountants, as Auditors of the Company to hold the office from the conclusion of ensuing Annual General Meeting until conclusion of 27th Annual General Meeting. As required under Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

➤ **SECRETARIAL AUDIT:**

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

➤ **INTERNAL AUDITORS:**

The Company has appointed Naresh & Co. as the Internal Auditors for the F.Y. 2017-18.

23. OBSERVATION OF AUDITORS:

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

24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

25. SHARES:

a. BUY BACK OF SECURITIES: The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY: The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES: The Company has not issued any bonus share during the year under review.

d. EMPLOYEES STOCK OPTION PLAN: The Company has not provided any Stock Option Scheme to the employees.



e. Fresh issue of shares: The Company has not issued any shares during the year under review.

26. CORPORATE GOVERNANCE:

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

27. MANAGEMENT DISCUSSION AND ANALYSIS:

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

28. PARTICULARS OF EMPLOYEES:

Disclosure under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.
Ratio of remuneration of MD and Whole Time Director – 8.06 : 1 (Rs. 30,00,000 : 3,72,234)
Other Directors – Not Applicable
- b) The percentage increase in the remuneration of each director, Chief Executive Officer, Chief Financial Officer and Company Secretary, if any in the financial year – During the FY 2017-18 there was nil % increase in remuneration of WTD, MD, other Directors, CFO and Company Secretary.
- c) The percentage increase in the median remuneration of employees in the financial year – Median Remuneration is Rs. 3,72,234 and average % increase is 15%
- d) The number of permanent employees on the rolls of the Company as on 31.03.2018 – 52
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – Average 15% increase in salaries of Employees and nil % increase in Managerial Remuneration during F.Y. 2017-18.
- f) Affirmation that the remuneration is as per the remuneration policy of the company.
The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through the compensation package, the company endeavors to attract, retain, develop and motivate high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. The Company affirms that the remuneration is as per remuneration of the Company.
- g) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with reference to remuneration of employees in excess of the limits prescribed – None of the employees were in receipt of remuneration above 8 lakh 50 thousand per month or Rs. One crore Two lakhs per annum and above.

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

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



30. COST AUDIT:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 dated 31/12/2014, cost audit and maintenance of cost records is not applicable to the Company for the Financial Year 2017-18.

31. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS :

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

32. HUMAN RESOURCES:

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

33. ACKNOWLEDGEMENTS:

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

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

**Place: Vadodara
Date: 24th August, 2018**

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN**



3.1 Annexure- to the Board's Report 2017-18 **Management Discussion and Analysis**

1. INDUSTRY STRUCTURE & DEVELOPMENTS:

Pharmaceutical Industry - Global and Indian:

The global pharmaceutical industry revenue is forecasted to reach an estimated \$1,226.0 billion by 2018. The Indian pharmaceutical market is the third largest in terms of volume and thirteen largest in terms of value. Its revenue is estimated to grow at 15 per cent per annum between 2015 and 2020, thus outperforming the global pharmaceutical industry which is expected to grow by 5 per cent. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015-20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in 2017-18 and are expected to reach US\$ 20 billion by 2020.

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative. Medicine spending in India is expected to increase at 9-12 per cent CAGR between 2018-22 to US\$ 26-30 billion, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

Chemical Industry- Global and Indian:

The global chemical industry has been expanding at a steady pace over the past couple of years with emerging Asian markets becoming a new manufacturing hub for the global chemical giants largely led by China where chemicals sales have increased manifold. Repelled by the slowdown in economy and plant shutdowns resulting from pollution control strictures by its Government, has surfaced India as an obvious beneficiary bringing it to lead global market position. India's capacity expansion growth rate has been the second highest after China. The global growth rate of the chemical market will be largely determined by developments in China, which accounts for more than a third of worldwide production.

The global chemical industry (excluding pharmaceuticals) grew by 3.5%, roughly. The global economy overall will expand by almost 4%, the fastest rate since 2011. The Indian industry has fared better and company growth rates have been in higher single digits as relatively stronger domestic consumption has ensured that Indian chemical companies enjoyed better growth compared to their global peers. The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP. With just a couple exceptions, outlooks for key chemical markets are equally bright.

DOMESTIC

Indian chemical companies support a sizable and highly diversified industry that includes commodities, specialities, polymers, agrochemicals and a range of other groups. Total chemical sales are expected to grow from US\$139 billion in 2014 to US\$214 billion by 2019. By 2025, the Indian chemical industry is projected to reach US\$403 billion. Major challenges for the Indian chemical industry are that it is highly fragmented with intense rivalry among companies. Because 100 percent FDI is allowed, domestic players can face stiff competition from foreign multinationals that have the ability to exert strong price pressures on local markets. The fact remains that the center of gravity for the global chemical industry is moving to the East, and Indian chemical companies are well-positioned to take advantage of this transition.

Doing business in India is getting much easier. Since 2014, the government administration has supported a number of reforms designed to encourage business growth by eliminating unnecessary laws and regulations, simplifying bureaucratic processes, and making the government more transparent, responsive and accountable. These reforms and other initiatives have supported a dramatic, even historic, rise in India's ranking on the World Bank's Ease of Doing Business (EoDB) Index — a jump of 30 places into the top 100 countries. In fact, India is the first large country ever to record such an increase in ratings over a single year.

INDIAN SPECIALITY CHEMICAL INDUSTRY

The Indian market for speciality chemicals is expected to reach US\$ 50 Billion by the end of 2018. Driven by the strong growth outlook for end use industries, the domestic market for speciality chemicals is expected to grow strongly, buoyed also by the increased adoption of speciality chemical and their increased usage in different product categories. Paints, coating and construction chemicals, colorants, Active Pharmaceutical Ingredients (APIs), personal care chemicals and flavors and fragrances are the specific segments that are expected to do well in the Indian market. Indian speciality Chemical companies are also strong in the export market with colorants, dyes and pigments being the key export oriented products. The domestic specialty chemical sector is expected to grow by about 10 per cent annually to almost double the market size by FY25, driven by growth in end-user industries,

OPPORTUNITIES & THREATS:

Strength & Opportunities

Your Company has been continuously striving to keep its costs to minimum possible to aggressively compete with Indian & global competitors. Moreover, slowly India is getting competitive with respect to global manufacturers, as global environmental rules are becoming stringent like that of India. In China, too, a tectonic shift is under way, as its economy moves from being export driven to one based on domestic consumption. Moreover, global players prefer Indian manufacturers due to better documentation and reliability. Your Company continues to work on economies of scale & widening product portfolio. The company falls under MSME sector due to which it enjoys various incentives. Company has great advantage of highly motivated manpower & this helps in continual process improvements & cost reductions. Our Company mainly focuses on customised products. Also, due to in-house technical expertise, your Company has strength of versatility in product range & able to stand in the market competitively. Company being Process driven, rather than Product driven, gives strength to absorb sudden impacts, if any, on our various Product demands.

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

2. RISKS AND CONCERNS:

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

Regulatory and environment: While chemical industry addresses growing need for materials required by different sectors, the industry employs highly complex manufacturing process that often involves handling of toxic and hazardous chemicals. The process being energy intensive, the importance of safety, health, security and environmental protection cannot be underestimated. Like all chemical companies, your Company is subject to central, state, local and foreign laws and regulations relating to pollution, protection of the environment, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Other areas of risks are accidents, fire or mishaps. However the Company is adequately insured and health and safety measures are always prioritised. MSME chemical companies rely on supplies from larger plants, or petrochemical units & Inputs for a chemical plant cannot be easily substituted.

Volatility in Raw Materials Prices: Volatility in the global prices of raw materials is the foremost challenge faced by the chemical industry. Sharp corrections in the crude oil prices aligns prices of various raw materials procured by the Company which influence topline even as they have a limited impact on profitability due to adoption of a cost plus pricing model for all its products.

Slowdown in End User Industries: The slowdown in growth of industries such as Pharmaceuticals, Paints, Pigments & coatings, Agrochemicals amongst others could impact the overall growth. However, your Company has an ability to shift the manufacturing towards those products which enjoy better demand-supply dynamics thereby sustaining profitability and insulating the operations from slowdown in a particular product category.



3. SEGMENT WISE PERFORMANCE:

For the year 2017-18, around 100% of the total sales of the company came from Intermediates for bulk Drugs (API), Dyes & pigment industries segment. Your Company also had almost 90% capacity utilization in Chlorosulfonation & Oxidation facilities - manufacturing intermediates for bulk Drugs (API), Dyes & pigment industries. Many of them are import substitutes manufactured for the first time in India.

4. OUTLOOK:

Your company is in the business of manufacture of chemicals which have applications in end user segments like bulk Drugs (API), Dyes, Paints & pigment industries etc. The products proposed to be manufactured by the Company are falling under the category of Speciality Chemicals which have good demand and market potential in both domestic and International markets, with demand in domestic market expected to follow an accelerated growth path. Moreover, after the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation imposed by European Countries and stringent Pollution Control norms being recently implemented in China, costs of handling effluents have increased resulting in relocation of manufacturing operations by large number of companies to India

Your Company has progressively leveraged chemistry skills to produce higher value products, expanding capacities to optimal scale. The Company has placed a greater focus on better value added chemical processes. Comparative low labour costs, excellent army of technical manpower, capabilities to scale up technologies, potential to increase share in undeveloped domestic and global markets shall empower your company's Speciality Chemicals growth.

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

5. ENVIRONMENT HEALTH & SAFETY:

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

6. INTERNAL CONTROL SYSTEM:

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

7. FINANCIAL & OPERATIONAL PERFORMANCE:

Your Company has grown progressively on year-to-year basis through addition of new products as well as continuous upgradation and optimisation of its manufacturing facilities. The Company has a healthy turnover and profit track record and has a robust outlook for the future. The Company has achieved a remarkable turnover of Rs. 31.76 Crores which is a jump of about 14.06% compared to earlier year in terms of value and in terms of volume. Despite of slow global economic recovery and nation-wide challenging environment in Pharmaceutical Sector, it was only with aggressive strategies on various fronts and the



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

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

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

Human capital has always been the most important and valuable asset for the Company. Your Company continued its activities during the year in a cordial atmosphere with utmost co-operation amongst employees and the management. As of the date of the report, the total number of the employees of Company is 57. The management is committed to promote safety, occupational health and proper environment in designing, planning, training and completion of all tasks. Trainings are imparted to workmen in various new techniques and systems.

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

**Place: Vadodara
Date: 24th August. 2018**

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN**



3.2 Annexure- to the Board's Report 2017-18

Secretarial Audit Report

(For the Financial year ended on 31st March, 2018)

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **CHEMCRUX ENTERPRISES LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period.
 - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period.
 - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011 regarding the Companies Act and dealing with client.



- G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period. and
- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period.

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

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

Further, as per representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company.

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

It is observed that the Company received closure notice from Gujarat Pollution Control Board (GPCB) on 01.08.2017 for non compliance of certain technical requirements under Air (Prevention & Control of Pollution) Act, 1981. The operations of the Company were re-instated vide GPCB letter dated 04.10.2017. Subject to above observation, there are adequate systems and processes in the company to monitor and ensure compliance.

We further report that.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

**Place: Vadodara
Date: 24.08.2018**

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



Annexure to Secretarial Audit Report

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

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

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

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

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

**Place: Vadodara
Date: 24.08.2018**



3.3 Annexure- to the Board's Report 2017-18

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any
Trimurti Dyechem Industries	Sales	One time transaction on 20/06/2017	Sales in the ordinary course of business	As per omnibus approval of ACM dated 02/05/2017	Rs. 42,525/-
Omkar Chemicals	Sales	One time transaction on 10/07/2017 & 01/08/2017	Sales in the ordinary course of business	As per omnibus approval of ACM dated 02/05/2017	Rs. 40,781/-

Place: Vadodara
Date: 24/08/2018

On behalf of the Board
CHEMCRUX ENTERPRISES LIMITED

Sd/-
GIRISHKUMAR C SHAH
Chairman



3.4 Annexure- to the Board's Report 2017-18 CORPORATE GOVERNANCE DETAILS

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

(a) Composition & Category of Directors

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

As on the year ended 31st March, 2018, the Board of Directors has 6 (six) members that include two woman director. The Board comprises of 4 (four) Non-Executive Directors, Mr. Sanjay Marathe is the Managing Director and Mr. Girishkumar Shah is the Whole Time Director and Executive Chairman. The Non-Executive Directors include Mr. Shailesh Patel and Mr. Bhanubhai Patel who are Independent Directors and Mrs. Sidhdhi Shah and Mrs. Neela Marathe are Non-Executive Directors.

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

(I) Board Meetings held during the Year: 05

Dates on which Board Meetings were held	Total Strength of Board	No. of Directors Present
30.05.2017	6	3
15.07.2017	6	6
07.09.2017	6	6
14.11.2017	6	6
27.02.2018	6	6

(II) Attendance of Directors at Board Meeting and AGM:

Name of the Directors	Number of BM held	No. of BM attended	Whether attended last AGM
Girishkumar Shah	5	5	Yes
Sanjay Marathe	5	4	Yes
Sidhdhi Shah	5	5	Yes
Neela Marathe	5	4	Yes
Shailesh Patel	5	4	Yes
Bhanubhai Patel	5	5	No

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

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



3. Audit Committee

(a) Terms of Reference:

The terms of reference of this Committee include matters mandated in the Listing Agreement and the Companies Act, 2013, respectively.

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

Mr. Shailesh Patel is the Chairman of the Audit Committee. Mr. Bhanubhai Patel and Mrs. Neela Marathe are the members. All the members of Audit Committee have financial and accounting knowledge. 4 (Four) audit Committee meeting were held during the financial year 2017-18. The attendance of Member of the Committee is given below:

Date of Meeting	Number of Members	Total Attendance
02.05.2017	3	2
19.08.2017	3	3
03.11.2017	3	3
06.02.2018	3	3

4. Nomination and Remuneration Committee

(a) The Composition of the Nomination and Remuneration Committee and details of the Members participation are as under:

Nomination and Remuneration Committee comprises of 2 Independent Directors viz. Mr. Shailesh Patel and Mr. Bhanubhai Patel and 1 Non Executive Director, Mrs. Sidhdi Shah. Mr. Bhanubhai Patel is the Chairman of the Committee. Details of Meeting is given below :

Date of Meeting	Number of Members	Total Attendance
08.04.2017	3	3
17.07.2017	3	3
06.10.2017	3	3
27.01.2018	3	3

(b) Remuneration Policy

Remuneration policy of the Company can be accessed at. <http://www.chemcrux.com/investor-info.php>

5. Meeting of Independent Directors:

A separate meeting of Independent Directors was held on February 12th, 2018 without attendance of Non Independent Director(s)

Training of Independent Directors:

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to the Company's culture, organization structure, business, board procedures, major risks and management strategy through familiarization programme. During the year familiarization programme for the Independent Directors was conducted on February 12th, 2018.

Details of attendance of independent Directors in Familiarisation Programmes :

SR. NO.	Name	Number of programme held during the year	Number of sessions attended		No. of hours spent	
			F/Y 2017-18	Cumulative till date	F/Y 2017-18	Cumulative till date
1.	Shailesh Patel	1	1	2	2	4
2.	Bhanubhai Patel	1	1	2	2	4

6. Stakeholder's Relationship Committee:

Your Company has constituted a Stakeholders Relationship Committee to redress complaints of the shareholders. Mr. Shaileshkumar Patel is the Chairman of the Committee and Mr. Bhanu bhai Patel and Mrs. Sidhhi Shah are the members.

Details of the Members participation are as under:

Date of Meeting	Number of Members	Total Attendance
08.04.2017	3	3
17.07.2017	3	3
06.10.2017	3	3
27.01.2018	3	3

7. General Body Meetings:

Location and time for the last three AGMs:

Year	Date	Venue	Time	Special Resolution(s)
2014-15	30/09/15	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	11:00 a.m.	NIL
2015-16	30/09/16	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	11:00 a.m.	Alteration in the Memorandum of Association, Adoption of new set of Articles of Association, Issue of Bonus Shares, Increase in Borrowing limits of the Company, Increase in Board Powers, Reappointment of Sanjay Marathe as MD and Girish Shah as WTD
2016-17	18/08/17	T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007	02.00 p.m.	NIL

No Postal Ballot was conducted during the year.

Extraordinary General Meetings held during the year : No EGM was held during the year.

10. General Shareholder information

(a)	22 nd AGM Date, Time and Venue	:	Thursday, 27 th September, 2018 at 2 p.m. at EXIM Club, 2 nd Floor, West Wing, Offtel Tower 1, R.C. Dutt Road, Nr. Vivekanad Memorial, Alkapuri, Vadodara, GUJARAT
(b)	Financial calendar	:	i. April 2018 to March 2019 ii. Half yearly Results 2018 – on or before 15 th November, 2018 iii. Audited Results for the Fourth Quarter/ Year ending 31 st March 2019, on or before 30 th May, 2019.
(c)	Date of Book closure Record Date (Dividend)	:	20/09/2018 to 27/09/2018 (both days inclusive) 19/09/2018
(d)	Dividend Payment date	:	Within 30 days , if declared at Annual General Meeting on 27/09/2018
(e)	Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 st April, 2018 to 31 st March 2019 to BSE Limited.



(f)	(i) Stock Code	:	540395 (BSE Limited)
	(ii) Demat ISIN Number for NSDL & CDSL	:	INE298W01016
(g)	Registrar and Transfer Agents	:	BIGSHARE SERVICES PRIVATE LIMITED 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol , Andheri – East, Mumbai – 400059 E-mail id: info@bigshareonline.com
(h)	Share Transfer System	:	All the transfer and transmission requests are processed on fortnightly basis by Big Share Services Pvt. Ltd being the Registrar and Transfer Agents.
(i)	Dematerialization of Shares and liquidity	:	100% of the paid-up capital has been dematerialized as on 31 st March, 2018.
(j)	Commodity price risk or foreign exchange risk and hedging activities	:	N.A
(k)	Plant Locations	:	The Company's plants are located at 4712-14, GIDC, Road South10, Ankleshwar-393002,(Gujarat), India

Declaration / Certification:

a. Code of Conduct:

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

b. Managing Director & CFO Certification:

As per requirements of Corporate Governance Code, Mr. Sanjay Marathe, Managing Director and Mr. Premchand Tiwari, Chief Financial Officer have jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31st March, 2018.

Declaration by Managing Director on Code of Conduct

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

Place: Vadodara
Date: 24.08.2018

Sd/-
SANJAY MARATHE
MANAGING DIRECTOR
DIN: 01316388



INDEPENDENT AUDITOR'S REPORT

**To,
The Members of CHEMCRUX ENTERPRISES LIMITED**

Report on the Financial Statements

We have audited the accompanying Financial Statements of **CHEMCRUX ENTERPRISES LIMITED** ("the Company") which comprise the Balance sheet as at 31st March, 2018, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31/03/2018, and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.



As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
- b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31st March, 2018, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2018 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in “**Annexure B**” attached herewith.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Protection Fund by the Company.

**FOR, TALATI & TALATI
CHARTERED ACCOUNTANTS
(F.R.N. 110758 W)**

**Place : Vadodara
Date : 29/05/2018**

**Sd/-
CA MANISH BAXI
PARTNER
(M. R. N. 045011)**

ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT

“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Chemcrux Enterprises Limited Company limited Reports under The Companies (Auditor’s Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2018

**To,
The Members of Chemcrux Enterprises Limited**

(i) In respect of Fixed Asstes

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets for the period ended 31st March 2018 and is in the process of updating the same for the year under consideration.
- (b) The fixed assets are physically verified at reasonable intervals by the Management in accordance with a regular programme of verification. According to the information and explanations given to us, the management is in process of reconciling fixed assets physically verified during the year with the fixed assets as per register maintained and does not expect any material discrepancy.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / Letter of Award provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.



(ii) In Respect of Inventories

As explained to us, the inventories, except goods-in-transit, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) Compliance under section 189 of The Companies Act, 2013

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) Compliance under section 185 and 186 of The Companies Act, 2013

In our opinion and according to the information and explanations given to us, the Company has not given any loan falling under the purview of the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits. According to the information and explanations given to us, the Company has not accepted any deposits during the year.

(vi) Maintenance of cost records

To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.

(vii) Deposit of Statutory Dues

(a) According to the information and explanations given to us, in respect of statutory dues: The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) As per the information and explanations given to us, there are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes.

(viii) Repayment of Loans and Borrowings In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government and has not issued any debentures.

(ix) Utilization of Money Raised by Public Offers and Term Loan For which they Raised : In our opinion and according to the information and explanations given to us, the money raised by way of term loan have been applied by the Company during the year for the purposes for which it was raised. During the year under audit, the Company has not raised moneys by way of public offer.

(x) Reporting of Fraud during the year :To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) Managerial Remuneration : In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



- (xii) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Related party compliance with Section 177 and 188 of companies Act – 2013
In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures
During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) **Compliance under section 192 of Companies Act – 2013**
In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) **Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**
According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR, TALATI & TALATI
CHARTERED ACCOUNTANTS
(F.R.N. 110758 W)

Place : Vadodara
Date : 29/05/2018

Sd/-
CA MANISH BAXI
PARTNER
(M. R. N. 045011)

Annexure – B to the Independent Auditors’ Report

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Chemcrux Enterprises Limited :

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

We have audited the internal financial controls over financial reporting of **CHEMCRUX ENTERPRISES LIMITED** (“the Company”), as on 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 issues by the Institute of Chartered Accountants of India.

**FOR, TALATI & TALATI
CHARTERED ACCOUNTANTS
(F.R.N. 110758 W)**

**Place : Vadodara
Date : 29/05/2018**

**Sd/-
CA MANISH BAXI
PARTNER
(M. R. N. 045011)**

BALANCE SHEET AS AT 31ST MARCH 2018

Particulars		Notes	31/03/2018 (in Rs.)	31/03/2017 (in Rs.)
(I)	EQUITY AND LIABILITIES			
(1)	SHARE HOLDERS FUND			
	(a) Share capital	3	4,93,62,800	4,93,62,800
	(b) Reserves and Surplus	4	9,74,97,778	7,53,56,900
(2)	SHARE APPLICATION MONEY			
	PENDING ALLOTMENT		-	-
(3)	NON-CURRENT LIABILITIES			
	(a) Long-Term Borrowings	5	1,75,66,784	94,00,641
	(b) Deferred Tax Liabilities (Net)	6	1,89,85,013	1,25,95,661
	(c) Long-Term Provisions	7	12,11,452	1,63,985
(4)	CURRENT LIABILITIES			
	(a) Short-Term Borrowings	8	1,25,20,806	1,68,05,844
	(b) Trade Payables	9	3,64,51,938	1,38,16,367
	(c) Other Current Liabilities	10	2,38,89,641	2,03,49,929
	(d) Short-Term Provisions	11	1,04,11,506	80,00,000
	TOTAL		26,78,97,718	20,58,52,127
(II)	ASSETS			
(1)	NON-CURRENT ASSETS			
	(a) Fixed Assets			
	(i) Tangible assets	12	10,75,36,354	8,28,49,986
	(ii) Capital work-in-progress		-	21,14,437
	(b) Non-Current Investments	13	1,07,30,077	4,67,030
	(c) Long-Term Loans and Advances	14	1,12,06,317	89,81,632
	(d) Other Non-Current Assets	15	26,21,618	39,46,952
(2)	CURRENT ASSETS			
	(a) Inventories	16	3,09,97,632	2,65,03,928
	(b) Trade Receivables	17	6,39,47,961	4,26,49,255
	(c) Cash and Cash Equivalents	18	1,52,57,063	2,27,66,382
	(d) Short-Term Loans and Advances	19	1,16,38,918	1,54,27,195
	(e) Other Current Assets	20	1,39,61,778	1,45,330
	TOTAL		26,78,97,718	20,58,52,127
	Notes forming part of the Financial Statements	1 to 38		

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

For Talati and Talati
Chartered Accountants
(FRN 110578W)

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

Sd/-
CA Manish Baxi
Membership No. 045011

Girishkumar Shah
Chairman & Whole
Time Director

Sanjay Marathe
Managing Director

Place : Vadodara
Date : 29th May, 2018

Sd/-
Premchand Tiwari
CFO

Sd/-
Ekta Kumari
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars		Notes	31/03/2018 (in Rs.)	31/03/2017 (in Rs.)
I	Revenue From Operations	23	31,46,47,304	27,49,76,124
II	Other Income	24	29,51,783	34,71,561
III	Total Revenue (I + II)		31,75,99,087	27,84,47,685
IV	Expenses:			
	Cost of Materials Consumed	25	11,61,40,023	11,71,50,075
	Work-in-Progress and Stock-in-Trade	26	(19,70,123)	(1,05,10,073)
	Employee Benefits Expenses	27	3,37,97,306	2,79,01,347
	Financial Costs	28	31,08,591	35,44,600
	Depreciation and Amortization Expenses	12	67,01,798	55,43,644
	Other Expenses	29	11,93,88,460	10,59,00,077
	Total Expenses		27,71,66,055	24,95,29,669
V	Profit Before Exceptional / Extra Ordinary Items & Tax (III - IV)		4,04,33,032	2,89,18,016
VI	Exceptional items (Prior Period Expense)		-	29,762
VII	Profit before Extraordinary Items & Tax (V - VI)		4,04,33,032	2,88,88,254
VIII	Extraordinary Items Less: Prior year's Income Tax Adjustment		-	3,43,767
IX	Profit Before Tax (VII - VIII)		4,04,33,032	2,85,44,487
X	Tax expense :			
	(1) Current tax		1,04,11,506	80,00,000
	(2) Deferred tax		63,89,352	55,61,669
XI	Profit/(Loss) from Continuing Operations (IX-X)		2,36,32,174	1,49,82,818
XII	Profit/(Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	Profit/(loss) from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV	Profit / (Loss) for the Period (XI+XIV)		2,36,32,174	1,49,82,818
XVI	Earning per Equity Share:			
	Basic	37	4.79	5.15
	Notes forming part of the Financial Statements	1 to 38		

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

For Talati and Talati
Chartered Accountants
(FRN 110578W)

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

Sd/-
CA Manish Baxi
Membership No. 045011

Girishkumar Shah
Chairman & Whole
Time Director

Sanjay Marathe
Managing Director

Place : Vadodara
Date : 29th May, 2018

Sd/-
Premchand Tiwari
CFO

Sd/-
Ekta Kumari
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Sr.	Particulars	For the Year ended 31.03.2018 Amount (Rs.)	For the Year ended 31.03.2017 Amount (Rs.)
A.	Cash flow from Operating Activities :		
	<i>Net Profit before Tax & Extra Ordinary Items</i>	4,04,33,032	2,89,18,016
	Adjustment for :		
	Depreciation & Write-offs	67,01,798	55,43,644
	Gratuity Non Cash Adjustment for AS 15	16,47,467	9,87,619
	Loss / (Profit) on Sale or disposal of Fixed Assets	46,004	(5,67,363)
	Interest & Financial Charges	31,08,591	35,44,600
	Sundry balances written off	41,367	-
	Foreign Exchange gain	88,446	-
	<i>Operating Profit before Working Capital Changes</i>	5,20,66,705	3,84,26,516
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	(2,12,98,706)	(67,69,354)
	(Increase)/Decrease in Inventories	(44,93,704)	(99,39,217)
	(Increase)/Decrease in Loans & Advances	15,63,592	(27,80,125)
	(Increase)/Decrease in Other Current Assets	(1,38,16,448)	11,50,864
	(Increase)/Decrease in Other Non-Current Assets	13,25,334	(39,46,952)
	(Increase)/Decrease in Non-Current Investments	(1,02,63,047)	-
	Increase/(Decrease) in Trade Payables	2,26,35,570	53,34,387
	Increase/(Decrease) in Other Current Liabilities	35,39,712	42,65,493
	<i>Cash Generated from Operations</i>	3,12,59,009	2,57,41,612
	Gratuity Paid	6,00,000	10,06,190
	Direct Taxes Paid	60,55,380	1,06,76,156
	<i>Cash Flow before Extra Ordinary Items</i>	2,46,03,629	1,40,59,266
	Net Cash Flow from Operating Activities	2,46,03,629	1,40,59,266
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(3,13,88,166)	(1,54,13,552)
	Net Proceeds from Sale of Fixed Assets	-	8,86,774
	Net Cash used in Investment Activities	(3,13,88,166)	(1,45,26,778)
C.	Cash Flow from Financing Activities		
	Increase/(Decrease) in Short Term Borrowings	(42,85,038)	(24,67,622)
	Increase/(Decrease) in Long Term Borrowings	81,66,143	18,49,562
	Increase of Equity Shares with Securities Premium	-	2,40,48,000
	Interest Paid	(31,08,591)	(35,44,600)
	Dividend Paid	(14,91,297)	(4,50,035)
	Net Cash used in Financing Activities	(7,18,784)	1,94,35,305
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	(75,03,320)	1,89,67,793
	Cash and Cash Equivalents (Opening)	2,27,66,382	37,98,589
	Cash and Cash Equivalents (Closing)	1,52,63,062	2,27,66,382

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

For Talati and Talati
Chartered Accountants
(FRN 110578W)

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

Sd/-
CA Manish Baxi
Membership No. 045011

Girishkumar Shah
Chairman & Whole
Time Director

Sanjay Marathe
Managing Director

Place : Vadodara
Date : 29th May, 2018

Sd/-
Premchand Tiwari
CFO

Sd/-
Ekta Kumari
Company Secretary



5. NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ANNEXED THERETO:

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

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

The Company started its business activities in the year 2000-01 by taking over the running business of M/s. Chemcrux, a partnership firm of the promoters, as a going concern. The Company made its Initial Public Offering in March, 2017. The Company was listed on the Bombay Stock Exchange (SME).

2. **Significant Accounting Policies :**

I. **Basis of Accounting :**

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

II. **Use of Estimates:**

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

III. **Fixed Assets & Depreciation :**

Tangible Assets are stated at cost, net of tax / duty credits availed, if any, wherever applicable, less accumulated depreciation/ impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Intangible assets are stated at cost or acquisition less accumulated amortization and impairment loss, if any. Intangible assets are recognized only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Capital work-in-progress comprises of the cost of assets that are not ready for their intended use at the reporting date.

IV. **Depreciation**

Depreciation on assets is being provided on the Straight Line Method on the basis of useful lives specified in Part C of Schedule II to the Companies Act, 2013. Depreciation on additions during the year as well as in case of assets sold during the year has been provided pro-rata on the basis of number of days for which the asset was used during the year. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use.

V. **Inventories :**

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

VI. **Employee Benefits :**

Short term Employees Benefits:

All employee benefits payable wholly within 12 months after the end of period in which the employees render the related services are classified as short term employee benefits and recognized as expenses in the



period in which the employees rendered the related services. The company recognizes the undiscounted amount of short term employees benefits expected to be paid (including compensated absences) in exchange for services rendered, as a liability.

ii) Post-employment benefits:

- a) Defined contribution plans: the company's contribution under the employees' provident fund scheme, general Labor welfare fund scheme and employees' state insurance scheme are defined contribution plans. The contribution paid / payable under the schemes is recognized during the period in which the employees rendered the related services.
- b) Defined Benefits Plans: The employees' gratuity fund scheme is Company's defined benefit plan. The Company has taken Group Gratuity Policy for future payment of gratuity. The present value of the obligation under this defined benefit plan is determined based on the Actuarial Valuation Certificate. Company has made provision for gratuity in the books of account on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date.

The Company has obtained the Actuarial Valuation Certificate for leave encashment and made the required provision in the books of accounts.

VII. Revenue Recognition :

Revenue is recognized on transfer of property in goods or on transfer of significant risks and rewards of ownership to the buyer, for a consideration, without the seller retaining any effective control over the goods.

Export sales are accounted at their CIF value based on the actual realization in Indian Rupees according to the realization certificates of the Banks

Other items of income such as Interest, Claims etc are accounted on accrual basis (depending on certainty of realization) and disclosed under the head "Other Income"

VIII. Foreign Currency Transactions :

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates.
- iii) In case of Forward Foreign Exchange Contracts, the difference between the year-end rate and the rate on the date of the contract is recognized as exchange difference.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

IX. Borrowing Costs :

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

X. Investments :

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, classified as Current Investments. All other investments are classified as Non-current Investments. Current investments are carried at lower of cost and fair value. Non-current investments are carried at the cost.

However, provision for diminution is made to recognize a decline, other than temporary in the value of Non-current Investments, such reduction being determined and made for each Investment individually.

XI. Taxes on Income :

Provision for Current tax is made, based on tax estimated to be payable as computed under the various provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originate during the year and are capable of being reversed in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

XII. Contingencies / Provisions :

Provisions requiring a substantial degree of estimation in measurement are recognized, if in the opinion of the Management, there is a probability that a present obligation as a result of past events will result in an outflow for the Company in the future. Contingencies, the outcome of which is not certain, have been disclosed in these notes as Contingent Liabilities. Contingent Assets are neither recognized nor disclosed in the financial statements. A provision is recognize when the company has a present obligation as a result of the past events and it is probable that an outflow of resource will be required to settle the obligation in respect of which a reliable estimate can be made.

XIII. Impairment of Assets :

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

XIV. Earnings per share :

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to shareholders by the total number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2018

3. SHARE CAPITAL :

Particulars		31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a)	AUTHORISED		
	6000000 Equity Shares of Rs 10/- each	6,00,00,000	6,00,00,000
(b)	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL.		
	4936280 Equity Shares of Rs 10/- each	4,93,62,800	4,93,62,800

(c) RECONCILIATION OF NUMBER OF SHARES

Particulars	31st March, 2018		31st March, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Balance at the Beginning (Nos.)	49,36,280	4,93,62,800	18,00,140	1,80,01,400
Addition / (Reduction)	-	-	-	-
- Bonus Shares issue	-	-	18,00,140	1,80,01,400
- Public Issue of Shares	-	-	13,36,000	1,33,60,000
Balance at the end (Nos.)	49,36,280	4,93,62,800	49,36,280	4,93,62,800

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

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

Name of Equity Shareholder	31st March, 2018		31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoter Group				
Girish C Shah	18,00,080	36.466	18,00,080	36.466
Sanjay Y Marathe	18,00,080	36.466	18,00,080	36.466
Other than Promoters				
	-	-	-	-
Individuals shareholders:				
Holding nominal share capital upto Rs 2 lakhs	8,04,002	16.288	6,96,002	14.100
Holding nominal share capital in excess of Rs 2 lakhs	3,40,000	6.888	96,000	1.945

- (f) The Board of Directors, in its meeting held on May 29, 2018 have proposed a Final Dividend of 2.5% i.e Rs.0.25 per equity share for the Financial Year ended 31st March, 2018. The said proposal is subject to the approval of the shareholders at the Annual General Meeting to be held on 27/09/ 2018 and if approved would result in a Cash Outflow of Rs 14,85,327 approximately including Corporate Dividend Tax.

4. RESERVES & SURPLUS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) SECURITIES PREMIUM RESERVE		
Balance as at the beginning of the year	1,06,88,000	-
Add : Securities Premium received during the year	-	1,06,88,000
TOTAL Rs. (a)	1,06,88,000	1,06,88,000
(b) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Balance as at the beginning of the year	6,46,68,900	6,76,87,482
Add : Profit for the year	2,36,32,174	1,49,82,818
Less : Issue of Bonus Share during the period	-	1,80,01,400
Less : Appropriations		-
Dividend Paid	12,34,070	-
Dividend Unpaid	6,000	-
Corporate Dividend Tax on Dividend	2,51,227	-
TOTAL Rs. (b)	8,68,09,778	6,46,68,900
TOTAL Rs. (a+b)	9,74,97,778	7,53,56,900

- (c) The Company has paid dividend for FY 2016-17 in current year amounting to Rs. 12,34,070 and Rs. 6000 is representing the amount of unpaid dividend as on 31st March, 2018.

5. LONG TERM BORROWINGS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) SECURED :		
Term Loans :		
From State Bank of India	-	72,70,547
From Kotak Mahindra Prime Ltd	1,66,38,530	12,67,046
	1,66,38,530	85,37,593
(b) UNSECURED :		
From Directors	9,28,254	8,63,048
	9,28,254	8,63,048
TOTAL Rs.	1,75,66,784	94,00,641

6. DEFERRED TAX LIABILITIES (NET) :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Deferred Tax Liabilities	63,89,352	1,25,95,661
Net Deferred Tax Liabilities as at the year end	1,89,85,013	1,25,95,661

7. LONG TERM PROVISIONS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Provision for Employee Benefits		
Provision for Gratuity (Net)	12,11,452	1,63,985
Others	-	-
TOTAL Rs.	12,11,452	1,63,985

8. SHORT TERM BORROWINGS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
SECURED :		
From SBI for Working Capital	-	1,68,05,844
From Kotak Mahindra for Working Capital (repayable on demand)	1,25,20,806	-
	1,25,20,806	1,68,05,844

* The Bank Facilities from Kotak Mahindra Bank (Cash Credit) are secured by hypothecation of Company's entire stocks and receivables. The facilities are further secured by Collateral Security of Factory land and building at GIDC, Ankleshwar and also hypothecation of existing Plant and machinery.

9. TRADE PAYABLES :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Sundry Creditors for Goods	3,64,34,828	1,23,59,930
(b) Sundry Creditors for Capital Goods	17,110	14,56,437
TOTAL Rs.	3,64,51,938	1,38,16,367

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

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

10. OTHER CURRENT LIABILITIES :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Current Maturities of Long Term Debts		
- SBI Term Loans (Installment due within one year)	-	49,93,892
- Kotak Mahindra Prime Ltd -Car Loans (Installment due within one year)	72,36,617	11,43,361
(b) Others Payables :		
- Creditors for Expenses	84,66,489	76,49,516
- Statutory Liabilities	23,25,620	21,29,950
- Other Payables	58,60,915	44,33,210
TOTAL Rs.	2,38,89,641	2,03,49,929

11. SHORT TERM PROVISIONS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Provision for Current Taxation	1,04,11,506	80,00,000
TOTAL Rs.	1,04,11,506	80,00,000

12. FIXED ASSETS :-

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

ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance as on 01/04/2017	Additions during the Year	Deduction / Disposal	Balance as on 31-03-2018	Balance as on 01/04/2017	Depreciation for the year Rs.	Balance as on 31-03-2018	As on 31-03-2018	As on 31/03/2017
	Tangible Assets								
Land	46,00,614	-	-	46,00,614	-	-	-	46,00,614	46,00,614
GIDC Quarter	1,83,415	-	-	1,83,415	51,254	2,878	54,132	1,29,283	1,32,161
Factory Building	1,35,95,967	15,35,097	-	1,51,31,064	41,28,034	4,73,205	46,01,239	1,05,29,825	94,67,933
Office Equipment	10,02,271	2,64,120	-	12,66,391	4,77,894	97,334	5,75,228	6,91,163	5,24,377
Office Premises	6,67,062	-	-	6,67,062	6,12,491	3,679	6,16,170	50,892	54,571
Furniture & Fixtures	5,27,988	22,188	-	5,50,176	2,79,572	41,421	3,20,993	2,29,183	2,48,416
Plant & Machinery	9,95,50,607	2,86,04,290	-	12,81,54,897	3,99,87,151	49,13,834	4,49,00,985	8,32,53,912	5,95,63,457
Computer	11,97,223	80,670	-	12,77,893	8,81,486	1,60,678	10,42,164	2,35,729	3,15,737
Motor Car	40,77,518	8,81,801	-	49,59,319	4,57,729	6,38,682	10,96,411	38,62,908	36,19,789
Pollution Control System	57,37,470	-	-	57,37,470	14,14,539	3,70,087	17,84,626	39,52,845	43,22,932
Total Rs.	13,11,40,136	3,13,88,166	-	16,25,28,301	4,82,90,150	67,01,798	5,49,91,948	10,75,36,354	8,28,49,986
Previous Year Rs.	12,03,00,820	1,32,99,115	24,59,799	13,11,40,136	4,48,86,894	55,43,644	4,82,90,150	8,28,49,986	7,54,13,926

13. NON CURRENT INVESTMENTS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Investments in Equity Instruments (At Cost)		
Unquoted , Non Trade		
36703 {P.Y. 36703} Equity Shares of Rs. 10 each of Bharuch Eco-Acqua Inf. Ltd (Now known as Narmada CleanTech)	3,67,030	3,67,030
25000 {P.Y. 25000} Equity Shares of Rs. 10 each of Ankl. Reas. & Analy Infrastructure Ltd.	1,00,000	1,00,000
(b) Investment in UTI Mutual Fund	1,02,63,047	-
TOTAL Rs.	1,07,30,077	4,67,030

14. LONG TERM LOANS AND ADVANCES : (Unsecured, considered good)

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Capital Advances	54,37,795	32,86,667
(b) Security Deposits	56,93,522	56,04,965
(c) Loans and Advances to related Parties	-	-
(d) Other Loans and Advances (recoverable in cash or kind or for value to be received)	75,000	90,000
TOTAL Rs.	1,12,06,317	89,81,632

15. OTHER NON-CURRENT ASSETS :

Particulars		31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a)	Long-term Trade Receivables	-	-
(b)	Others		
	IPO Expenses (pending to be written off)	26,21,618	39,46,952
	TOTAL Rs.	26,21,618	39,46,952

16. INVENTORIES :

Particulars		31/03/2018 (Rs.)	31/03/2017 (Rs.)
	Raw Materials	77,47,097	41,65,835
	Work-in-Progress	1,03,80,131	1,42,11,252
	Finished Goods	1,25,70,404	78,26,841
	Stores and Spares	3,00,000	3,00,000
	TOTAL Rs.	3,09,97,632	2,65,03,928

17. TRADE RECEIVABLES : (Unsecured, considered Good)

Particulars		31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a)	Outstanding for a period exceeding Six Months	98,849	8,03,042
(b)	Others	6,38,49,112	4,18,46,213
	TOTAL Rs.	6,39,47,961	4,26,49,255

18. CASH AND CASH EQUIVALENTS :

Particulars		31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a)	Balances with Banks	1,51,67,077	2,26,97,722
(b)	Cash on Hand	89,986	68,660
	TOTAL Rs.	1,52,57,063	2,27,66,382

19. SHORT TERM LOANS AND ADVANCES : (Unsecured, considered Good)

Particulars		31/03/2018 (Rs.)	31/03/2017 (Rs.)
	Advance Income Tax and Refunds Receivable	80,52,352	68,31,647
	Indirect Taxes Recoverable Balance with Revenue Authorities	5,50,736	48,03,841
	Advances to Staff	20,00,500	23,87,000
	Security Deposit	-	2,40,480
	Other Short Term Loans and Advances (recoverable in cash or kind or for value to be received)	10,35,330	11,64,227
	TOTAL Rs.	1,16,38,918	1,54,27,195

20. OTHER CURRENT ASSETS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Advance to Suppliers	25,00,000	1,45,330
ICICI Lombard claim Receivable	13,90,000	-
Stock-in-transit(Import)	1,00,71,778	-
TOTAL Rs.	1,39,61,778	1,45,330

21. CONTINGENT LIABILITIES AND COMMITMENTS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Contingent Liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees	-	-
Other Moneys for which Company is contingently liable - For F.Y. 2006-07 -VAT / CST Demand [*]	-	32,91,032
TOTAL Rs.	-	32,91,032

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

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

23. REVENUE FROM OPERATIONS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Sale of Products		
- Domestic Sales	16,01,61,294	13,35,01,239
- Export Sales (including Deemed Exports)	5,04,52,615	3,76,10,140
Total Sale of Products	21,06,13,909	17,11,11,379
(b) Other Operating Revenues		
- Job Work	10,40,33,395	10,38,64,745
Total Operating Revenues	10,40,33,395	10,38,64,745
TOTAL Rs.	31,46,47,304	27,49,76,124

24. OTHER INCOME :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Duty Drawback	5,89,964	5,67,943
Interest Income	15,87,516	8,56,665
Exchange Rate Difference (Net)	88,446	4,83,544
Bad Debts Recovered	83,764	9,65,291
Profit on Sale of Fixed Assets	-	5,67,363
Gain on Investment in Mutual Fund	2,88,158	-
Rate Differences and Discounts (Net)	1,99,051	16,487
Other Income	1,14,885	14,267
TOTAL Rs.	29,51,783	34,71,561

25. COST OF MATERIALS CONSUMED :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Opening Stock of Raw Materials	41,65,835	50,54,559
Add : Purchases (incl. Import Duties)	10,69,03,196	10,16,56,045
	11,10,69,031	10,67,10,604
Less : Closing Stock of Raw Materials	77,47,097	41,65,835
Raw Materials Consumed	10,33,21,934	10,25,44,769
Stores and Consumables	1,10,45,814	1,32,31,437
Packing Materials	17,72,275	13,73,869
TOTAL Rs.	11,61,40,023	11,71,50,075

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

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Opening Stocks		
Finished Goods	78,26,841	54,74,618
Work-in-Progress	1,42,11,252	57,35,534
Stores and Spares	3,00,000	3,00,000
	2,23,38,093	1,15,10,152
Closing Stocks		
Finished Goods	1,25,70,404	78,26,841
Work-in-Progress	1,03,80,131	1,42,11,252
Stores and Spares	3,00,000	3,00,000
	2,32,50,535	2,23,38,093
Differential Excise Duty on Opening & Closing Stock of Fin. Goods	(10,57,681)	3,17,868
TOTAL Rs.	(19,70,123)	(1,05,10,073)

27. EMPLOYEE BENEFIT EXPENSES :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Salaries and Wages	2,12,58,974	1,66,37,691
Provident Fund ,ESI , Bonus and Gratuity	55,52,996	43,55,665
Directors' Remuneration	60,00,000	60,00,000
Staff Welfare	9,85,336	9,07,991
TOTAL Rs.	3,37,97,306	2,79,01,347

28. FINANCE COST :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Interest on Loans from Banks	16,99,084	28,37,448
Bank Charges and Other Borrowing Costs	11,20,860	4,45,175
Others Interest	2,88,648	2,61,977
TOTAL Rs.	31,08,591	35,44,600

29. OTHER EXPENSES :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
(a) Manufacturing \ Direct Expenses		
Freight, Octroi & Transportation	1,25,36,786	1,10,50,856
Repairs & Maintenance	98,23,872	75,48,041
Fuel Charges	3,06,96,244	3,10,82,226
Effluent Treatment Charges	25,85,496	3,07,00,755
Labour Charges	86,75,984	80,17,998
Other Factory Expenses	3,87,47,296	55,71,134
Total (a)	10,30,65,677	9,39,71,009
(b) Administrative & Other Expenses		
Audit Fees	2,00,000	1,50,000
Bad Debts written off	5,54,713	-
Conveyance & Petrol Exp	4,25,809	3,60,041
Donation	43,000	23,500
Directors' Sitting Fees	65,000	8,000
Fees, Books & Periodicals	-	3,91,016
Insurance Premium	4,38,076	7,95,178
Legal, Professional, License & Filing Fees	20,10,761	13,53,348
Office & General Administration Expenses	8,25,313	9,43,644
Repairs & Maintenance (Shed & Building)	8,75,130	9,89,308
Security Service Charges	12,89,941	13,55,659
Travelling Expenses	11,99,210	2,62,870
Rates & Taxes	2,23,094	5,51,210
IPO Expenses Written Off	13,25,334	29,048
Loss due to fire(Plant and Machinery)	46,004	-
Total (b)	95,21,384	72,12,822
(c) Selling & Distribution Expenses		
Custom Clearing Charges for Exports	66,11,312	23,17,850
Sales Commission	-	15,92,221
Advertisement Exp	1,05,556	1,38,556
Service Tax On Transport	84,531	6,67,619
Total (c)	68,01,399	47,16,246
TOTAL (a+b+c) Rs.	11,93,88,460	10,59,00,077

AUDITORS REMUNERATION

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
As Auditors	1,00,000	1,00,000
For Other services	1,00,000	50,000
Total	2,00,000	1,50,000

30. C.I.F. VALUE OF IMPORTS :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Raw Materials	2,54,64,936	2,87,77,245
Total	2,54,64,936	2,87,77,245

31. EXPENDITURE IN FOREIGN CURRENCY :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Capital Expenditure	-	-
Total	-	-

32. EARNINGS IN FOREIGN CURRENCY :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Export of Goods on FOB basis	4,11,80,272	3,53,57,340
Total	4,11,80,272	3,53,57,340

33. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE :

Particulars	31/03/2018 (Rs.)	31/03/2017 (Rs.)
Sundry Debtors	9,762	14,29,692
Total	9,762	14,29,692

34. CLASSIFICATION OF EXPENDITURE :

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

35. POST EMPLOYMENT BENEFITS :

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

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



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

POST EMPLOYMENT BENEFITS :

Changes in Present Value of Defined Benefit Obligation	31st, March 2018 (Rs.)	31st, March 2017 (Rs.)
Present Value of Obligations as at the beginning of the Year	80,33,014	65,99,253
Interest Cost	6,42,641	5,27,940
Current Cost	4,21,999	3,61,807
Benefits Paid	(36,684)	(22,404)
Actuarial (gains) / losses on obligation	11,32,859	5,66,418
Present Value of Obligations as at the end of the Year	1,01,93,829	80,33,014
Change in Fair Value of Plan Assets	31st, March 2018 (Rs.)	31st, March 2017 (Rs.)
Fair Value of Plan Assets as at the beginning of the Year	78,69,119	64,16,697
Expected Return on Plan Assets	6,32,977	5,43,630
Contributions	5,16,964	9,31,196
Benefits Paid	(36,684)	(22,404)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	89,82,377	78,69,119
Defined Benefit Obligation as recognized in Balance Sheet	31st, March 2018 (Rs.)	31st, March 2017 (Rs.)
Present Value of Obligations as at the Year end	1,01,93,829	80,33,014
Fair Value of Plan Assets as at the Year end	89,82,377	78,69,119
Net Asset / (Liability) recognized in Balance Sheet	(12,11,452)	(1,63,895)
Net Gratuity Benefit Expenditure Recognised in P&L Account	31st, March 2018 (Rs.)	31st, March 2017 (Rs.)
Current Service Cost	4,21,999	3,61,807
Interest Cost	6,42,641	5,27,940
Expected Return on Plan Assets	(6,32,977)	(5,43,630)
Net Actuarial (Gain) / Loss Recognised in the Year	11,32,859	5,66,418
Net Expense Recognised in Statement of Profit and Loss	15,64,522	9,12,535
Principal Assumptions Used	31st, March 2018 (Rs.)	31st, March 2017 (Rs.)
Discount Rate	7.50%	8%
Expected Return on Plan Assets	7.50%	8%
Salary Escalation Rate	7%	7%
Major Categories of Plan Assets		
Insurer Managed Funds	100%	100%



36. RELATED PARTY TRANSACTIONS :

The Company has identified all the related parties having transactions for the year in line with Accounting Standard 18. Details of the same are as under:

a. List of Related Parties

Nature of Relation		Name of Related Parties	
Key Managerial Person		Mr. Girish Shah-Chairman and WTD	
		Mr. Sanjay Marathe-Managing Director	
		Mrs. Sidhhi Shah-Director	
		Mrs. Neela Marathe-Director	
		Mr. Premchand Tiwari- CFO	
		Mr. Alpesh Makwana-CS	
	Nature of Concern	Name of Related Parties	Related KMP
Related to Key Managerial Person	HUF	Sanjay Marathe- HUF	Sanjay Marathe
	HUF	Girish Shah- HUF	Girish Shah
	Accustomed to Act on advise of Director	Techolabz Systems Pvt. Ltd.	Sanjay Marathe
	Member & Director	Kapil Organisers Pvt. Ltd	Bhanubhai Patel
	Partner	Trimurti Dye Chem Industries	Bhanubhai Patel
	Partner	Omkar Chemicals	Bhanubhai Patel

b. Transactions with Related Parties :

Name of Related Parties	Transaction during year		Balances as at	
	2017-18	2016-2017	2017-18	2016-2017
Key Managerial Person				
Director Remuneration	60,00,000	60,00,000	-	3,89,600
Unsecured Loans received/(paid)	-	(66,478)	9,28,254	8,63,048
Interest on Unsecured Loan	65,324	63,380	-	-
Remuneration to CFO	60,000	-	-	-
Remuneration to CS	2,48,000	-	-	-
Related to Key Managerial Person				
Trimurti Dye Chem Industries	42,525	-	-	-
Omkar Chemicals	40,781	-	-	-



37. EARNINGS PER SHARE :

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

Particulars		2017-18	2016-2017
Profit After Taxation	Rs.	2,36,32,174	1,49,82,818
Number of Equity Shares	Nos.	49,36,280	29,11,656
Nominal Value of Shares	Rs.	4,93,62,800	4,93,62,800
Earnings Per Share	Rs.	4.79	5.15

Particulars	No. of Equity Shares
- Opening Equity Shares	49,36,280
- Bonus Issue	-
- Public Issue	-
Total Weighted Average Number of Equity Shares	49,36,280

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

For Talati and Talati
Chartered Accountants
(FRN 110578W)

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

Sd/-
CA Manish Baxi
Membership No. 045011

Girishkumar Shah
Chairman & Whole
Time Director

Sanjay Marathe
Managing Director

Place : Vadodara
Date : 29th May, 2018

Sd/-
Premchand Tiwari
CFO

Sd/-
Ekta Kumari
Company Secretary



Form MGT-11 Proxy form

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

CHEMCRUX ENTERPRISES LIMITED

CIN: L01110GJ1996PLC029329

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

Vadodara- 390 007 Ph: +91-0265-2344803/2358903

Email : girishshah@chemcrux.com Website: www.chemcrux.com

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

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

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

as my / our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting to be held on Thursday, 27th September, 2018, at 02:00 P.M. at EXIM Club (Association of Exporters & Importers), 2nd Floor, West Wing, Offtel Towers No. 1, B/h Stop-N-Shop Plaza, Near Vivekanand Memorial, R.C. Dutt Road, Alkapuri, Vadodara 390007 and any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Financial Statements for the year ended 31.03.2018.
2. Approval of Final Dividend for the year ended 31.03.2018.
3. Re-appointment of Mrs. Neela Marathe who retires by rotation.
4. Appointment of M/s. R. J. Shah & Associates, Chartered Accountants, Vadodara as Auditors and fixing their remuneration.

Special Business :

5. Re-appointment of Girishkumar C. Shah as Whole Time Director and revision in his remuneration.
6. Re-appointment of Sanjay Y. Marathe as Managing Director and revision in his remuneration.

On this _____ day of _____, 2018.

Signature of shareholder: _____

Signature of Proxy holder(s): _____

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



Form No. MGT-12

Polling Paper

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

Name of the Company		CHEMCRUX ENTERPRISES LIMITED		
Registered Office		CIN: L1110GJ1996PLC029329 T-7, National Plaza, R. C. Dutt Road, Alkapuri, Vadodara- 390 007 Ph: +91-0265-2344803/2358903 Website: www.chemcrux.com		
Sr.No	Particulars	Details		
1	Name of the First Named Shareholder (In Block Letter)			
2	Postal Address			
3	Registered Folio No./8 Client ID No. (* Applicable to investors holding shares in dematerialized form)			
4	Class of Share	Equity Shares		
I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner.				
No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent to the resolution
1	To receive, consider and adopt the Audited Financial Statement including Consolidated Financial Statement comprising the Balance Sheet as at March 31, 2018 and the Statement of Profit of Loss and Cash Flow for the year ended on that date together with Report of Directors and Auditors thereon (Ordinary Resolution)			
2	To declare dividend on the Equity Shares of the company (Ordinary Resolution)			
3	To appoint a Director in place of Mrs. Neela Marathe (DIN:00469204), who retires by rotation and being eligible, offers herself for re-appointment. (Ordinary Resolution).			
4	To appoint M/s. R. J. Shah & Associates, Chartered Accountants as Auditors of the Company and authorize the Board of Directors to fix their remuneration (Ordinary Resolution)			
5	To re-appoint Mr. Girishkumar C. Shah as Whole Time Director of the Company for a term of 5 years and to revise his managerial remuneration. (Special Resolution)			
6	To re-appoint Mr. Sanjay Y. Marathe as the Managing Director of the Company for a term of 5 years and to revise his managerial remuneration. (Special Resolution)			
Date:/...../2018 Place: Vadodara				
				(Signature of the Shareholder)



ATTENDANCE SLIP

CHEMCRUX ENTERPRISES LIMITED

CIN: L1110GJ1996PLC029329

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

Vadodara- 390 007 Ph: +91-0265-2344803/2358903

Email:- girishshah@chemcrux.com

Website: www.chemcrux.com

ATTENDANCE SLIP

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

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

I hereby record my presence at the 22nd Annual general Meeting of the Company to be held at EXIM Club (Association of Exporters & Importers), 2nd Floor, West Wing, Offtel Towers No. 1, B/h Stop-N-Shop Plaza, Near Vivekanand Memorial, R.C. Dutt Road, Alkapuri, Vadodara 390007 at 02:00 P.M. on Thursday, 27th day of September, 2018.

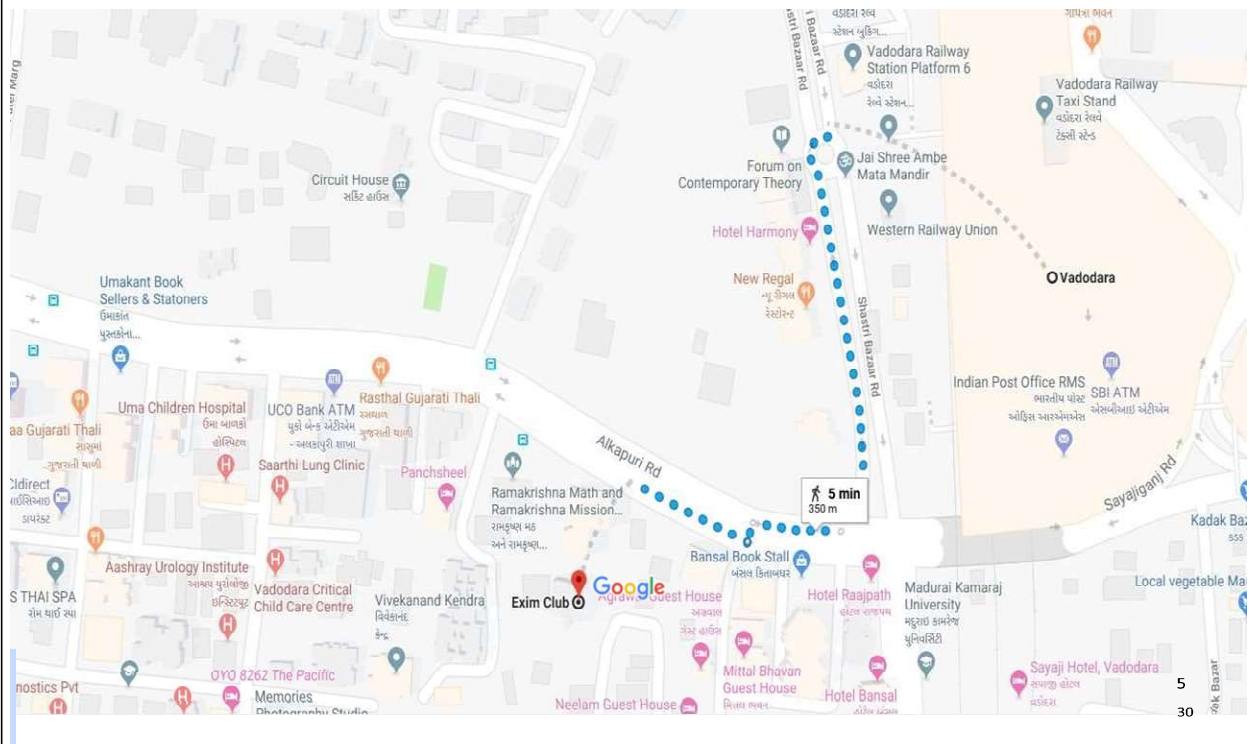
Name of the Member / Proxy
(In Block Letters)

Signature of the Member / Proxy

Note: Please fill this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual report 2017-18 for the meeting.

ROUTE MAP OF VENUE OF AGM

EXIM Club, 2nd Floor, West Wing, Offtel Towers No. 1,
B/h Stop-N-Shop Plaza, Near Vivekanand Memorial,
R.C. Dutt Road, Alkapuri, Vadodara -390007





CHEMCRUX

ENTERPRISES LTD.

Reg. Off.:

T-7, National Plaza,
R.C.Dutt Road,
Alkapuri, Vadodara- 390007
Gujarat, India
Ph.: +91 265 - 2344803 / 2358903

