

Regd. Office :-

330, TRIVIA Complex, Natubhai Circle,
Racecourse, Vadodara – 390007, Gujarat, INDIA

Phone : +91 265 2988903 / 2984803

Website : www.chemcrux.com

Email : girishshah@chemcrux.com



Date: 29th July, 2021

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

Dear Sir / Madam,

Sub: Submission of Annual Report for the F.Y. 2020-21
Ref: CHEMCRUX BSE Scrip Code: 540395

Pursuant to Regulation 34(1)(a) and Regulation 30 read with Event 12 of Part A para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of Chemcrux Enterprises Limited for the financial year 2020-21, which, inter-alia contains the Notice of the 25th Annual General Meeting of the Company to be held on Tuesday, the 24th August, 2021 at 2.00 P.M. (IST) through Video Conference / Other Audio Visual Means.

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

Kindly take the same in your records.

Thanking you,

Yours faithfully,

For CHEMCRUX ENTERPRISES LIMITED

Dipika

Dipika Rajpal
Company Secretary & Compliance Officer



Factory

4712-14, GIDC, Road South - 10, Ankleshwar - 393002 (Gujarat) India.

Ph.: +91 2646 221427, 239737 | Email : sanjay@chemcrux.com



CHEMCRUX ENTERPRISES LTD.

ISO 9001, 14001 & 50001 Certified Company



Quality - Consistency - Reliability

**Manufacturers of Intermediates for
API, Dyes & Pigments since 38 years**



ANNUAL REPORT 2020-21

PROMOTERS & DIRECTORS :

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

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

REGD OFFICE :

330, TRIVIA Complex, Natubhai Circle,
Racecourse, Vadodara 390007 GUJARAT
Tel No. : 0265 2984803 / 2988903
Email : celbaroda3821@gmail.com
Website : www.chemcrux.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSON

Mr. Sushil Tripathi - CFO
 Mrs. Ekta Kumari - Company Secretary (Till 20/02/2021)
 Mrs. Dipika Rajpal - Company Secretary (From 05/03/2021)

REGISTERED OFFICE:

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

FACTORY:

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

BOARD COMMITTEES

Audit Committee

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

Nomination & 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

CSR Committee

Mr. Sanjay Marathe (Chairman)
 Mr. Shailesh Patel
 Mrs. Sidhdhi Shah

AUDITORS

Statutory Auditors:

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

Internal Auditors:

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

Secretarial Auditors:

Kashyap Shah & Co.
 B 203, Manubhai Tower
 Sayajigunj, Vadodara -390 005

Registrar & Share Transfer Agent:

Bigshare Services Private Limited
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis,
 Makwana Road, Marol,
 Andheri - East, Mumbai - 400 059
 E-mail id: info@bigshareonline.com

BANKERS:

Kotak Mahindra Bank Limited

WEBSITE: www.chemcrux.com

CIN : L01110GJ1996PLC029329

Investors Relations Mail ID:

girishshah@chemcrux.com

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CHEMCRUX ENTERPRISES LIMITED

CIN: L01110GJ1996PLC029329

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Ph: +91-0265-2984803/2988903

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

NOTICE

Notice is hereby given that the Twenty Fifth (25th) Annual General Meeting of the members of **CHEMCRUX ENTERPRISES LIMITED** ("the Company") will be held on Tuesday, August 24, 2021, at 2.00 p.m. Indian standard time ("IST"). The Annual General Meeting shall be held by means of Video Conferencing ("VC") / Other Audio-Visual Means ("OVAM") on account of outbreak of Covid-19 pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors thereon be and are hereby considered, approved and adopted."

2. To declare final dividend for the financial year ended March 31, 2021, at the rate of 20% (Rs. 2.00) per Equity Share) and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT final dividend of Rs. 2.00/- (Two only) per Equity Share @ 20% on 49,36,280 Equity Shares of the Company be and is hereby declared to the Equity Shareholders of the Company whose name appear in the Register of Members on August 17, 2021, out of the profits of the Company for the financial year ended on March 31, 2021."

3. To appoint a director in place of Mrs. Neela Sanjay Marathe (DIN: 00469204), who retires by rotation and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Neela Sanjay Marathe (DIN: 00469204), Non-Executive Director of the Company, who retires by rotation at this Annual General Meeting in accordance with section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. **Re-appointment of Mr. Shailesh Patel (DIN: 02826895) as Independent Director**

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, (as amended from time to time) approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Shailesh Patel (DIN: 02826895) as an Independent Director of the Company, not liable to retire by rotation and whose term of office is liable to be completed at the conclusion of this Annual General Meeting, to hold office for 2nd term of five consecutive years i.e., up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2026."

5. Re-appointment of Mr. Bhanubhai Vashrambhai Patel (DIN 00727280) as Independent Director

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

“RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee , and approval of the Board and subject to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, (as amended from time to time) approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Bhanubhai Vashrambhai Patel (DIN 00727280) as an Independent Director of the Company, not liable to retire by rotation and whose term of office is liable to be completed at the conclusion of this Annual General Meeting to hold office for 2nd term of five consecutive years i.e., up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2026.”

6. Increase in Authorised Capital and consequential amendment to Memorandum of Association of the Company

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

“RESOLVED THAT, in accordance with the provisions of Section 61 read with Section 64 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 6,00,00,000/- (Rupees Six Crores) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- each by creation of additional 90,00,000 (Ninety Lakh) Equity shares of Rs. 10/- (Rupees Ten) each ranking pari passu in all respect with the existing Equity Shares of the Company.

“RESOLVED FURTHER THAT, in accordance with the provisions of Sections 61 read with Section 13 of the Companies Act, 2013 or any amendment thereto or modification thereof, the Memorandum of Association of the Company be amended by deletion of the existing Clause V and by substituting the same with the following:

V. The authorized share capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- each.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and hereby authorized to take such steps as may be necessary including delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other Officer(s) to do all such acts, deeds, matters and things, as may be considered necessary, desirable and expedient for giving effect to this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company.”

7. Migration of listing/ trading of equity shares of the company from BSE SME Platform to Main Board of BSE.

To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 277 of Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 as applicable, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & other applicable provisions, if any of the Companies Act, 2013 read with underlying Rules and Regulations as notified by MCA (including any statutory modifications or re-enactment thereof for the time being in force) and subject to consent of applicable regulatory authorities, consent of the Members be and is hereby accorded for purpose of migration of the Company’s present listing from SME Platform of BSE to Main Board of BSE Limited and to follow such procedures as specified by SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, stock



exchange and other applicable regulations notified by SEBI, as amended from time to time, to give effect to the above said resolution.

“RESOLVED FURTHER THAT for the purpose of giving effect to resolution any director or the Company Secretary of the Company be & are hereby jointly & severally authorized to deal with Government or semi-government authorities or any other concerned intermediaries including but not limited to BSE Limited, Securities and Exchange Board of India, Registrar of Companies and to any other authorities to apply, modify, rectify and submit any applications and / or related documents on behalf of the Company for the purpose of migration of the Company's present listing from SME Platform of BSE Limited to the Main Board of BSE Limited.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents, instruments and writings as may be required and to file all such applications, papers, documents in relation to above and to fulfil all such legal formalities in the connection and to form any committee if it think and deem fit, delegate all or any of the power herein conferred to any of such Committee of the Directors or to any Director/ officer of the Company and to appoint any such attorney/ person to represent before the concerned authority and to delegate such power to such person/ representative, to give effect to this resolution.”

8. Issue and Allotment of Bonus Shares

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 63 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to regulations and guidelines issued by Securities and Exchange Board of India (SEBI) including SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 (as amended from time to time) and such other approvals, permissions and sanctions as may be necessary and such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to capitalize the required amount out of reserves and surplus account (including Securities Premium) of the Company and transfer to Share Capital Account towards issuance and allotment of Equity shares to each of the member whose names stand in the Register of Members of the Company as on record date as the Directors may determine, in that behalf in the proportion of 2 (Two) fully paid-up bonus Equity share of 10/- (Rupees Ten Only) each for every 1 (One) existing Equity Share of 10/- (Rupees Ten Only) each, held as on the date of closure of transfer books and that the bonus shares so issued and allotted be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member/person and not as income.

RESOLVED FURTHER THAT the bonus equity shares so allotted shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares. No letters of Allotment shall be issued for the Bonus Shares.

RESOLVED FURTHER THAT the bonus equity shares shall be credited to the respective beneficiary demat account of the members with their respective Depository Participant(s).

RESOLVED FURTHER THAT the issue and allotment of the bonus equity shares to Non-Resident Indians (NRIs), Persons of Indian Origin/ Overseas Corporate Bodies and other Foreign Investors, be subject to the approval of Reserve Bank of India (RBI) or any other regulatory authority, if any, as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and hereby authorized to take such steps as may be necessary including delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other Officer(s) to do all such acts, deeds, matters and things, as may be considered necessary, desirable and expedient for giving effect to this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company.”

9. The Board considered the proposal for formation of any other entity for furtherance of business.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 185, 186 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to make investments and advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity in whom any of the Directors of the Company may be interested/deemed to be interested for the furtherance of business, as per the permissible limits under section 186 of the Companies Act, 2013, if applicable, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

“RESOLVED FURTHER THAT for the purpose of giving effect to this special resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee thereof), Company Secretary of the Company, be and are hereby severally authorised to negotiate and decide from time to time, the terms and conditions, execute necessary documents, papers, agreements, etc. for the aforesaid grant of loans or issue of corporate guarantee or providing security to the proposed entity in which directors may be interested and to do all such acts, deeds and things and to give such directions as may be necessary or expedient in its absolute discretion as it deems fit and such decisions shall be final and binding on the Company and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any committee of directors or any other officer in this regard.”

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

**Place: Vadodara
Date: July 23, 2021**

**Sd/-
Dipika Rajpal
Company Secretary**

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the special business under Item Nos. 4 to 9 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company on July 23, 2021 considered that the special business under Item Nos. 4 to 9 being considered unavoidable, be transacted at the 25th AGM of the Company.
2. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circular no. 02/2021 dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM”/ “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 25th AGM of the Company is being held through VC / OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. Further, Attendance Slip and Route Map are also not annexed to this Notice.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will be available



electronically for inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to companysec@chemcrux.com.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
7. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website that is www.chemcrux.com, website of the Bombay Stock Exchange that is www.bseindia.com and AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
8. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 18, 2021 to Tuesday, August 24, 2021 (both days inclusive) for annual book closing and record date shall be as on Tuesday, August 17, 2021 for determining the entitlement of shareholders to the final dividend. The cut off date shall be as on Tuesday, August 17, 2021 to determine the shareholders entitled to avail the facility of remote e-voting.**
9. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in [Annexure A](#) to this notice.
10. Subject to the provisions of section 126 of the Companies Act, 2013, final dividend as recommended by the Board of Directors for the year ended 31st March, 2021, if approved and declared by the members at the ensuing AGM, will be paid to those Members, whose names appear in the Register of Members as at the close of business on August 17, 2021 and in respect of shares held in dematerialized form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on August 17, 2021.
 - 10.1 ***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 or to the RTA, Bigshare Services Pvt. Ltd. At www.bigshareonline.com.***
 - 10.2 ***Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.***
11. 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/demat form. **Bigshare Services has put in place a module to enable the shareholders to update the Email Id, Mobile No., PAN No. and Bank Details by visiting the website www.bigshareonline.com. (For Investors section).**
12. **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 2020-21 will also be available on the website of the Company at www.chemcrux.com.**
13. **VOTING THROUGH ELECTRONIC MEANS:**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and



the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by **National Securities Depository Limited (NSDL)**.

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

The remote e-voting period begins on Saturday, August 21, 2021 (09:00 A.M. IST) and ends on Monday, August 23, 2021 (05:00 P.M. IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 17th August, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th August, 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <ol style="list-style-type: none"> 1. Type in web browser/ Click the following e-Services Link: https://eservices.nsdl.com/ (either on a Personal Computer or on a mobile). 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. Enter your User ID and Password. 4. On successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>Users not registered for IDeAS e-Services, have option to register at https://eservices.nsdl.com.</p> <ol style="list-style-type: none"> 1. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

	<ol style="list-style-type: none"> 3. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 4. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 5. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 6. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

4. Your User ID details are given below:

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

Your User ID is:

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

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

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

16 Digit Beneficiary ID
For example, if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
- (i)** If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii)** If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a)** Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- b)** **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- c)** If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d)** Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- ❖ You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - ❖ The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date that is August 17, 2021.
 - ❖ Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 17, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or companysec@chemcrux.com.



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

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to companysec@chemcrux.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to companysec@chemcrux.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

GENERAL INSTRUCTIONS:

- a. **The e-voting period commences on Saturday, August 21, 2021 (09:00 a.m. IST) and ends on Monday, August 23, 2021 (5:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 17, 2021, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter but will again be opened during the AGM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
- b. Mr. Kashyap Shah, Practicing Company Secretary (Membership No. FCS 7662), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c. The Scrutinizer shall, after the conclusion of voting at the General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the AGM a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.chemcrux.com and on the website of NSDL immediately after the declaration of the result by the Chairman or any person authorised by him and communicated to the Stock Exchanges.
- d. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kashyap.cs@gmail.com with a copy marked to evoting@nsdl.co.in.
- e. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- f. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.



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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at companysec@chemcrux.com
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at companysec@chemcrux.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Members will have the option to post their comments / queries on Chat and we will be making arrangements to carry your messages.

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

**Place: Vadodara
Date: July 23, 2021**

**Sd/-
Dipika Rajpal
Company Secretary**



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

Special Business: Item No. 4 & 5

Mr. Shailesh Patel & Mr. Bhanubhai Vashrambhai Patel were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 30th September, 2016 to hold office up to Annual General meeting to be held in the calendar year 2021 for a period of 5 Years ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.). The Nomination & Remuneration Committee after taking into account the performance evaluation of these Independent Directors, during their first term of Five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from this i.e., 25th Annual General Meeting up to Annual General Meeting to be held for the financial year ended 31/03/2026 to be held in the calendar year 2026 and not liable to retire by rotation. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Shailesh Patel & Mr. Bhanubhai Vashrambhai Patel for their appointment to the office of Independent Directors.

Brief profile of the above Independent Directors seeking re-appointment is given in [Annexure-A](#). The Board recommends special resolutions set out at Item Nos. 4 & 5 of the Notice for approval of shareholders. Except Mr. Shailesh Patel & Mr. Bhanubhai Vashrambhai Patel, no other Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No 4 & 5 of the Notice.

Special Business: Item 6

The Current Authorized Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores) consisting of 60,00,000 (Sixty Lakhs) Equity Shares of Rs 10/- each and the paid-up share capital of the Company is Rs. 4,93,62,800/- (Rupees Four Crores Ninety Three Lakhs Sixty Two Thousand Eight Hundred) consisting of 49,36,280 (Forty Nine Lakh Thirty Six Thousand Two Hundred and Eighty) Equity Shares of Rs 10/-. The Company proposes to increase its authorized share capital to Rs. 15,00,00,000/- (Rupees Fifteen Crores) to facilitate any fund raising in future via further issue of equity shares of the company. The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company. Pursuant to Section 13 and 61 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

The Directors recommend the Resolution set out in item no. 6 in the Notice for the approval of the Members. No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Special Business: Item No 7

Pursuant to Regulation 277 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 An issuer, whose specified securities are listed on a SME Exchange and whose post issue face value capital is more than ten crore rupees and up to twenty five crore rupees, and listed on SME Exchange can migrate to the Main Board, provided shareholders' approval is obtained in accordance to ICDR Regulations issued by SEBI and company meets listing requirements of Stock Exchange on which company is proposed to list. Since the paid-up Capital of the company as on date is Rs. 4,93,62,800/- which is proposed to be increased to Rs. 15,00,00,000/- (Rupees Fifteen Crore) as per special business mentioned in item no. 6 of this notice and Company is also listed on SME platform of BSE Limited from March, 2017 till date, in compliance of part of BSE Listing Criteria, the Board of Directors are of the view that Migration to main board will act as a catalyst in the growth and expansion of the Company and also will help the shareholders of the Company to enjoy sufficient return from their investments. The Board of Directors at its meeting held on Friday, July 23, 2021 has approved the migration of the company from SME Platform of BSE Limited to the Main Board of BSE Limited subject to approval of the Regulatory Authorities and members of the Company by way of Special Resolution. None of the



Directors or Key Managerial Personnel or the Promoter/Promoter group entities of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the above referred resolution in item No.7.

The members are, therefore, requested to accord their approval for Migration of Company's Equity Shares from SME Platform of Bombay Stock Exchange of India Limited to Main Board of Bombay Stock Exchange of India Limited as set out in the resolution. Pursuant to Proviso to Regulation 277 of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the proposed resolution shall be acted upon if the votes cast by public Shareholders in favor of the proposal, amount to at least 2 times the number of votes cast by the public Shareholders against the proposal. The Company would approach BSE with necessary application for Migration upon receipt of approval of the Public Shareholders. It is in the interest of all the Shareholders including public Shareholders to approve the proposal for Migration of the present listed Equity Shares of the Company on the Main Board of BSE and hence management recommends the passing of said resolution and seeks your approval.

Special Business: Item No 8

The Reserves and Surplus Account Balance (including Securities Premium) were amounting to Rs. 35,91,61, 666/- as on 31st March, 2021. The Board of Directors were of view to capitalise required amount from this balance for the benefits of members of the Company. Hence, the Board of Directors, at their meeting held on July 23, 2021 recommended an issue and allotment of Bonus Shares in the proportion of 2 (Two) new equity share of the Company for every 1 (one) existing equity share of the Company held by the members as on the record date by way of capitalization of balance in Reserves and Surplus Account (including Securities Premium). (Record date will be decided in consultation with the management). Pursuant to the provision of Section 63 and other applicable provisions, issue of bonus shares of the Company requires the approval of the members of the Company.

The resolutions as set out in item no. 8 of the Notice are accordingly submitted to the members for its consideration and approval. None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the passing of the Resolution at Item No. 8 except to the extent of their respective shareholdings in the Company.

Special Business: Item No 9

In terms of section 185, 186 and other applicable provisions if any, of the Companies Act, 2013, a Company may make investments & advance any loan, including any loan represented by a book debt, to any entity in whom any of the Directors of the Company may be interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution.

The management is of the view that the Company may be required to make investment or advance any loan in the proposed entity in which the Directors of the Company may be interested. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt to entity proposed in whom any of the Directors of the Company may be interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. to the proposed entity in whom any of the Directors of the Company may be interested up to an aggregate amount as per the permissible limits under the provisions of Section 186 of the Company Act, 2013. Provided that, such loan shall be utilized by such an entity for its principal business activities and it is proposed to empower the Board of Directors of the Company to finalize terms of loan/ investment in the best interest of the Company.

The Board of Directors recommends resolution as set out in item No. 9 for approval of the members of the Company by way of passing a Special Resolution.

Except Mr. Girishkumar Shah, Whole Time Director and Executive Chairman, Mr. Sanjay Marathe, Managing Director, Mrs. Sidhhi Shah and Mrs. Neela Marathe, none of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 are in any way, financially or otherwise, concerned or interested in the resolution.

Annexure - A

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

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

Name of Director	Neela Sanjay Marathe	Shailesh Patel	Bhanubhai Vashrambhai Patel
Date of Birth	30/11/1961	12/01/1958	27/06/1951
Date of Appointment	31/12/1999	30/09/2016	30/09/2016
Qualifications	Commerce Graduate	Commerce & Law graduate	B Sc & B Sc (Tech)
Expertise in Specific Functional Area	Management & Administration	Practicing advocate having experience of around 38 years	Started his own manufacturing unit to produce pigments in 1981 and is associated with it since then
Directors in other public limited companies	NIL	NIL	NIL
Membership of committees in other public limited companies	NIL	NIL	NIL
Inter relationship Relationship with any Director	Promoter Group- Wife of Managing Director Mr. Sanjay Marathe	None	None
Shares held in the company	24	NIL	NIL

BOARD'S REPORT

Your Directors have pleasure in presenting the 25th Board Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2021.

1. FINANCIALS:

PARTICULARS	[Rupees in Lacs]	
	2020-21	2019-20
Revenue from Operations	5333.10	5744.96
Other Income	79.64	85.80
Total Revenue	5412.74	5830.76
Less: Expenses before Interest and Depreciation	4077.86	4270.35
Less: (a) Interest	14.82	32.17
(b) Depreciation	120.13	117.61
Profit before Tax & Extra Ordinary Items	1199.93	1410.63
Less: Prior period expenses	0.00	0.13
Less: Prior year's Income Tax Adjustment	(4.59)	(7.60)
Profit Before Tax	1204.52	1418.10
Less: Tax Expenses		
Current Tax	300.00	363.00
Deferred Tax	11.16	(9.16)
Profit after Tax	893.36	1064.26
Earnings per Share	18.10	21.56

2. KEY FINANCIAL RATIOS :

Sr. No.	Particulars	FY 20-21	FY 19-20	% Change
1	Debtors Turnover Ratio	8.38	5.68	47.54
2	Inventory Turnover Ratio	7.24	12.62	-42.63
3	Interest Coverage	81.96	44.84	82.78
4	Current Ratio	4.39	2.75	59.64
5	Debt Equity Ratio	0.01	0.03	-66.67
6	Operating Profit Margin (%)	24.75	26.6	-6.95
7	Net Profit Margin (%)	16.75	18.53	-9.61
8	Return on Net worth (%)	38.05	39.24	-3.03

Board noted that Company key financial ratios have declined as compared to previous year owing to shutdown of production operations during the FY 2020-21 as per the environmental directives issued by the Government Authorities. The decline in Debt Equity Ratio demonstrates that your Company is less leveraged and operating with minimum borrowed fund.

3. DIVIDEND:

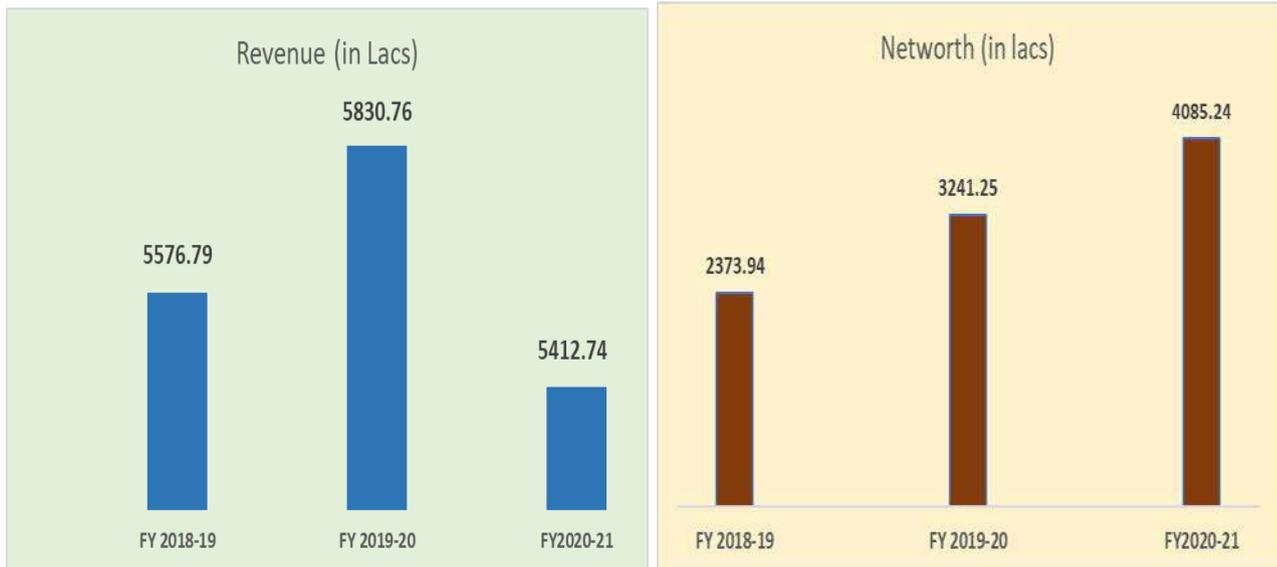
Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business needs of your company. Your Board of Directors are pleased to recommend a final dividend of Rs. 2.00/- per equity share (20%) on 49,36,280 equity shares of Rs.10/- each subject to approval of shareholders at the forthcoming Annual General Meeting. The Dividend when approved, would result in a total outflow of Rs. 98,72,560. According to Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates.

4. OPERATIONAL HIGHLIGHTS:

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

Rs. In Lacs	FY 18-19	FY 19-20	FY 2020-21	% increase (1 year)	% increase (3 years)	CAGR% (3 years)
Revenue	5576.79	5830.76	5412.74	-7.17	-2.94	-1.99
EBDITA	1391.04	1560.41	1334.89	-14.45	-4.04	-2.36
Profit before Tax	1234.76	1418.10	1204.52	-15.06	-2.45	-1.82
Net Profit	931.55	1064.26	893.36	-16.06	-4.10	-2.39
Networth	2373.94	3241.2451	4085.24466	26.04	72.09	19.83
EPS	18.87	21.56	18.10	-16.05	-4.08	-2.38

KEY FINANCIALS CHART – 3 YEARS PERIOD



5. SHARE CAPITAL:

At present, the Company has only one class of share – Equity shares of face value of Rs. 10 each. The authorized share capital of the company is Rs. 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 your Company are listed on SME segment of BSE Limited since March, 2017.

6. TRANSFER TO RESERVE:

The Company proposes to transfer Rs. 8,43,99,961/- 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. Effective financial measures have been continued to reduce cost of interest and bank charges.

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

There was no amount outstanding to be transferred as unclaimed dividend to investor education and protection fund during the FY 2020-21.

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 relates and the date of the Board Report, other than the effects of global pandemic on business.

10. ORDER OF AUTHORITIES:

Other than the order of Gujarat Pollution Control Board (GPCB) received in January 2021 for shutdown of operations of our Factory located at Ankleshwar, in view of environmental directives, no order of any government, state, local or statutory authorities were received during the FY 2020-21 which could have affected the workings of the company. However, after complying with order of the GPCB relating to environmental directives, the production operations have resumed since April-2021.

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

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

(A) Conservation of energy:

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

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

Your Company is certified with ISO 50001: 2018 Certification from BSI (British Standards Institution) and ANAB (American National Standards Institution Accreditation Board). Your Company is compliant with the Energy Management Systems and aims to improve energy efficiency and consumption thereby resulting in costs reduction and increase in productivity. During the FY 2020-21. Energy consumption was 2003414 units (equivalent to 2.00mwh) and cost incurred was Rs. 145.30 lakhs.

(B) Technology absorption:

1. Efforts in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The Company has not entered into any technology-based ventures during the year under review.

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

The Company has not imported any technology and hence not applicable.

2. Expenditure incurred on Research and Development:

The Company is coming up with a R&D facility located at GIDC, Ankleshwar Gujarat.

(C) Foreign exchange earnings and Outgo:

PARTICULARS	Amt (In Lacs)
Foreign Exchange earned in terms of actual inflows during the year	1059.74
Foreign Exchange outgo during the year in terms of actual outflows	817.43

(D) Environment:

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

12. RISK MANAGEMENT:

The Company has framed a sound Risk Management Policy to identify and evaluate business risks and opportunities and the same has become integral part of Company's Day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Market Risk, Government Policy risk, Liquidity risk, and Systems risk. The Company has in place adequate mitigation plans for the aforesaid risks. On account of outbreak of Covid global pandemic and uncertainty caused by it, Company adopted Risk Management Policy to minimize the impact on its operations, customers, suppliers and employees.

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 were applicable to the company from the financial year 2019-20. In line with same, a Corporate Social Responsibility Committee was formed by the Board of directors, constituting of Mr. Sanjay Marathe as Chairman of the Committee, Mrs. Sidhdi G. Shah and Mr. Shailesh Patel (Independent Director) as Committee Members. The CSR Committee has formulated and recommended to the Board, the Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company in areas or subjects specified in schedule VII of the Companies Act, 2013. Accordingly, during the FY 2020-21 as approved by the CSR Committee, the amount for CSR expenditure amounting to Rs. 21,02,000 /- was spent in areas specified under schedule VII of the Companies Act, 2013. Please refer [Annexure IV](#) for further details and click on the link www.chemcrux.com/investor-info.php under investors info/Corporate Policy link to access the CSR Policy of Company.

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

There were no loans or guarantees given by the Company under Section 186 of the Companies Act, 2013 during the year under review. Investments in short term UTI Mutual Fund schemes were made during the year which was within the limits approved by Board of Directors and the limits prescribed under section 186 of the Companies Act, 2013.

15. RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the 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 III](#).

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, none of the directors were appointed or resigned. The Company Secretary of the Company Mrs. Ekta Kumari Shrivastava resigned from her office w.e.f. 20/02/2021 and Mrs. Dipika Rajpal was appointed in her place to take over the charge as the Company Secretary of the Company w.e.f.

05/03/2021.

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 Sanjay Marathe, Non-Executive Director shall retire by rotation in the ensuing Annual General Meeting and being eligible for re-appointment has offered her candidature for directorship.

➤ **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried an annual performance evaluation of its own performance, committees and the directors individually.

➤ **REMUNERATION POLICY:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining, qualifications, positive attributes and independence of a Director and also a policy for remuneration of directors, key managerial personnel and senior management. The policy is available at the website of company at www.chemcrux.com/investor-info.php.

➤ **MEETINGS:**

During the year six Board Meetings and four Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

➤ **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 Audit Committee comprises of Mr. Shailesh Patel- Independent Director, Mr. Bhanubhai Patel-Independent Director and Mrs. Neela Sanjay Marathe – Non-Executive Director. During the year four Audit Committee Meetings were held. 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

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

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, 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. R.J. Shah & Associates has been appointed as the Statutory Auditor of the Company at the 22nd Annual General Meeting until conclusion of 27th Annual General Meeting of the Company for a term of five years. The [report of the Statutory Auditors](#) of the Company is annexed and is forming part of the Annual Report.

➤ SECRETARIAL AUDIT:

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

➤ INTERNAL AUDITORS:

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

23. OBSERVATION OF AUDITORS:

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

24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

25. SHARES:

- a. **BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.
- b. **SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.
- c. **BONUS SHARES:** The Company has 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 hence the same has not been annexed to the Board's Report.

27. AWARDS AND RECOGNITIONS:

- Your company has received Authorised Economic Operator (AEO)-T1 certificate from Indian Customs Board, Ministry of Finance.
- Your Company has been accorded Certificate of Recognition as "One Star Export House" by the Directorate General of Foreign Trade, Ministry of Commerce & Industry.
- Your Company has featured at 1st Rank in the list of Top 50 SME Companies of India in an article published in Dalal Street Investment Journal (June 07-20, 2021 edition) based on the past financial performance and other crucial parameters.

28. MANAGEMENT DISCUSSION AND ANALYSIS:

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

29. PARTICULARS OF EMPLOYEES: -

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

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.
Ratio of remuneration of MD and Whole Time Director – 15.67 : 1 (Rs. 84,00,000 : 5,36,219)
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 2020-21 there was Nil % increase in remuneration of WTD and MD. There was 11.87 % increase in the remuneration of CFO & for CS, no comparative figures are available as she is appointed w.e.f. 05/03/2021.
- c) The percentage increase in the median remuneration of employees in the financial year – **Median Remuneration is Rs. 5,36,219 and average increase is 11.87% for the F.Y. 2020-21.**
- d) The number of permanent employees on the rolls of the Company as on 31.03.2021 – **78**
- 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 11.87% increase in salaries of Employees and Nil % increase in Managerial Remuneration of Directors during F.Y. 2020-21. The increase in remuneration of managerial person is commensurate with the efforts put in by them in leading the Company to greater heights and as per the prescribed limits of Schedule V of the Companies Act, 2013.**
- f) Affirmation that the remuneration is as per the remuneration policy of the company.
The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through the compensation package, the company endeavors to attract, retain, develop and motivate high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance-based variable pay. **The Company affirms that the remuneration is as per remuneration policy of the Company.**
- g) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with reference to remuneration of employees in excess of the limits prescribed – **None of the**

employees were in receipt of remuneration above 8 lakh 50 thousand per month or Rs. One crore Two lakhs per annum and above.

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

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

31. 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 was not applicable to the Company for the Financial Year 2020-21. However, the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, was applicable to the Company from the and the Company has maintained costs records for the F Y 2020-21.

32. COPORATE GOVERNANCE AND FAIR BUSINESS PRACTICES:

The extant provisions of corporate governance prescribed under SEBI Regulations is not applicable to the Company, being an SME listed Company. However as good Corporate Citizen, the Company strives to comply with the provisions of corporate governance on voluntary basis. Company's approach to business is based upon core set of values and ethics. The management of Company is dedicated to ethical, fair and just business practices. In line with this vision, the Board of Directors of the Company has during the year, adopted the Business Ethics Policy, which is available at the website of company www.chemcrux.com.

33. 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.

34. HUMAN RESOURCES:

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance. The Company has in place Human Rights Policy Statement to express Company's commitment to do business with ethical values and embrace practices that supports human rights, and labour laws on a continuous basis. The policy is available on the website of Company www.chemcrux.com.

35. CAUTIONARY STATEMENT:

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

36. ACKNOWLEDGEMENTS:

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

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

**Place: Vadodara
Date: July 23, 2021**

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN**

2.1 Annexure I - to the Board's Report 2020-21

Management Discussion and Analysis

1. INDUSTRY STRUCTURE & DEVELOPMENTS:

Global GDP (Gross Domestic Product) was - 4.4% in 2020, significantly lower as compared to the growth rate of 2.6% in 2019. International Monetary Fund has described this decline as the worst, since the Great Depression of the 1930s. Slow private consumption, travel restrictions, shutdown of economic activities owing to COVID-19 pandemic across the globe, lead to this decline. The production of chemicals (excluding pharmaceuticals) decreased worldwide during 2020, particularly in the Asian emerging markets, where a drop of 9.8% was observed.

1.1 CHEMICAL INDUSTRY:

Currently, China constitutes 20% of the global Speciality chemical industry (\$800 billion), even a 5% shift in market share from China to India can translate into an \$8-billion opportunity for the Indian Speciality chemical companies. This can be easily achievable as the closures of many chemical units in China due to stricter environmental norms have affected the supply chain for many global players. This has prompted them to look for alternative sources.

Moreover, the production cost of Chinese chemical companies has also gone up due to increase in pollution control norms and this has narrowed down the cost differential between Indian and Chinese companies, to a certain extent. Thus, India can become another source of a Speciality chemical manufacturing hub.

India's share in the global speciality chemical markets stands at a meagre 3%, creating a creating significant scope for growth. Also, some of the favourable scenario emerging for the Indian speciality chemical segment are domestic availability of petrochemical intermediates, increasing capital expenditure incurred for expanding portfolio of value-added/customised products, backward integration and increasing R&D spends to enter into new age products and new chemistry.

1.2 SPECIALITY CHEMICALS INDUSTRY:

Indian speciality chemical industry is currently valued at \$32 billion and is expected to reach \$65 billion by FY25. This segment constitutes about 18% of the total chemical industry in India. The industry's growth is mainly driven by consumption growth and export opportunity. Indian speciality chemicals industry has grown with a CAGR of around 11% from 2014-2019 and is expected to grow with a 12% CAGR in the next 5 years.

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

The active pharmaceutical ingredients (API) market was valued at approximately USD 174.96 billion in 2020, and it is expected to reach USD 245.88 billion by 2026, registering a CAGR of nearly 5.84% during the forecast period, 2021-2026.

DOMESTIC

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

The government has recently rolled out the PLI scheme for the manufacturing of drugs, including the APIs. Under the scheme, the government has announced production-linked incentives of worth INR 6,940 crores for domestic drug manufacturers in the country. This will help to boost the manufacturing of APIs in the country and reduce dependence on China.

2. OPPORTUNITIES & THREATS:

Strength & Opportunities

Your Company has been continuously striving to keep its costs to minimum possible to aggressively compete with Indian & global competitors. Your Company continues to work on economies of scale. The company falls under MSME sector due to which it enjoys various incentives. Company has great advantage of highly motivated manpower & this helps in continual process improvements & cost reductions. 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. Our focus is on quality of product, long-term relationships, stable and sustainable operations and global best practices for suppliers and customers with end applications in APIs, dyes and pigments.

Your Company has in place greener technologies like CNG fired boilers, economizers etc. to save power and fuel costs. However, Variation in crude oil prices would always be area of concern. The Company was able to cope up with these pressures in the past due to strong operational efficiency. Company has successfully implemented ISO 50001:2018 and has got certification from the coveted BSI (British Standards Institute). The Company is now Energy Management Systems compliant and aims for continual improvement in energy performance, including energy efficiency, use and consumption.

3. RISKS AND CONCERNS:

Global Recession due to Covid 19 pandemic: The novel coronavirus disease (COVID-19) pandemic and ensuing lockdowns in several parts of the world have led to a recession unmatched in eight decades. Combined with structural bottlenecks, this will amplify the long-term damage of deep recession associated with the pandemic. This would severely impact the demand side of the equilibrium and affect supply chains across the country and world. Your Company may be affected to that extent by the global recession.

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

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

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

4. SEGMENT WISE PERFORMANCE:

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

5. OUTLOOK:

As we all are aware, the National Economy and the Businesses are going through difficult times due to the uncertainty caused global pandemic, which has affected one and all. Your company, being under Essential Services Sector, was permitted to operate with restrictions during the lock down period. As a result, we partially resumed our production operations since 14th April 2020, with limited workforce. However operational activities slowly improved, and company was fully operational as normal from the month of June, 2020. Your Company operated at low capacity during the lockdown period, hence there has been corresponding loss in production and business during the period. Our one of the end users, the Pharma Industry's demand is stable and improving and we expect to recover from the impact of Lockdown closure in

this fiscal year. There have been no impact/bottlenecks in import of major raw materials and exports of finished products and the Company does not foresee any bottlenecks in the future also. None of the assets of the Company have been impacted or impaired by the pandemic. Company is hopeful of obtaining requisite Environmental clearances during the year, which can enable company to add capacities & grow. Overall, the outlook of Company in this pandemic situation is stable and positive.

6. ENVIRONMENT HEALTH & SAFETY:

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

7. INTERNAL CONTROL SYSTEM:

Your Company has sound and adequate internal control systems commensurate with its size and nature of business. We constantly upgrade our systems for incremental improvements. The Audit Committee of the Board periodically reviews these systems. These systems ensure protection of assets and proper recording of transactions and timely reporting. Internal audit is conducted by an independent professional firm on regular basis. The Audit Committee also regularly reviews the reports of the Statutory Auditors, and Internal Auditors. The Company has successfully implemented ERP solution in order to enhance the internal control systems in procurement, planning, production, dispatch, operations and accounts & finance departments.

8. FINANCIAL & OPERATIONAL PERFORMANCE:

Your Company has a stable outlook for the future. During the FY 2020-21, Revenue from operations stood at Rs 53.33 crore for FY2020-21, as compared to Rs 57.45 crore for FY2019-20. Net profit for FY2020-21 is Rs 8.93 crore, as compared to Rs 10.64 crore for FY2019-20. The decline is due to nationwide lockdown in 1st half of the FY 2020-21, due to plant closure during the 2nd half of the FY 2020-21 and Covid related operational restrictions in 1st half of FY 2020-21.

Value in our industry is all about creating and delivering quality, while keeping costs in check and almost every value focused agency in our sector is working towards that goal. We are working not only towards top line growth, but also for bottom line growth.

For the coming year, although the overall economy and business scenario is grim across all sectors, but we foresee the outlook of your company as quite positive and stable. With a combination of efficient planning, expanding production, timely delivery, and the relentless efforts we shall definitely do our best to overcome all odds and deliver yet another fulfilling year ahead.

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

Human capital has always been the most important and valuable asset for the Company. Your Company continued its activities during the year in a cordial atmosphere with utmost co-operation amongst employees and the management. As of the end of FY 2020-21, the total number of the employees of Company is 78. The management is committed to promote safety, occupational health and proper environment in designing, planning, training and completion of all tasks. Regular trainings are imparted to workmen in various areas.

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

**Sd/-
GIRISHKUMAR SHAH
CHAIRMAN**

**Place: Vadodara
Date: July 23, 2021**

2.2 Annexure- II to the Board's Report 2020-21

Secretarial Audit Report

(For the Financial year ended on 31st March, 2021)

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

**To,
The Members,
CHEMCRUX ENTERPRISES LIMITED
330, TRIVIA Complex, Natubhai Circle,
Racecourse,
Vadodara - 390007**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by CHEMCRUX ENTERPRISES LIMITED (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, 2021 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, 2021, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - D. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. - Not Applicable to the Company during the Audit Period.
 - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period.
 - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011 regarding the Companies Act and dealing with client.
 - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period. and

H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. - Not Applicable to the Company during the Audit Period.

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

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

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

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

There are adequate systems and processes in the company to monitor and ensure compliance. During the later part of the financial year, production activities were closed as per closure order of Gujarat Pollution Control Board (GPCB). The Company resumed production operations from April 2021, after receipt of revocation of closure direction from GPCB.

We further report that;

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

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

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

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

We further report that during the audit period, the Company has passed Special Resolutions at Annual General Meeting of the Company held on 17.08.2020 to approve payment of remuneration for the period of 3 financial years from 1st April, 2021 to Mr. Girishkumar Shah as Executive Chairman and Whole-Time Director and Mr. Sanjay Marathe as Managing Director of the Company.

For Kashyap Shah & Co.
Practising Company Secretaries

Sd /-
(Kashyap Shah)
Proprietor
FCS No. 7662, CP No. 6672
UDIN:- F007662C000648852

Place: Vadodara
Date: 17.07.2021

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

Annexure to Secretarial Audit Report

**To,
The Members,
CHEMCRUX ENTERPRISES LIMITED
330, TRIVIA Complex, Natubhai Circle,
Racecourse,
Vadodara - 390007**

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

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

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

**Sd /-
(Kashyap Shah)
Proprietor
FCS No. 7662. CP No. 6672
UDIN:- F007662C000648852**

**Place: Vadodara
Date: 17.07.2021**

2.3 Annexure- III to the Board's Report 2020-21

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 arm's 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
Dr. Prem's Molecule Private Limited- Enterprise over which KMP have significant influence	Legal & Professional Expense (R&D)	01/10/2020 onwards became Related party	Rs. 9,00,000/-	07/11/2020	-
Mrs. Neela Marathe & Mrs. Sidhdhi Shah- Non-Executive Directors	Lease Rent	Ongoing	Rs. 12,65,000/- (for the FY 2020-21)	07/11/2020	-

Place: Vadodara
Date: 23/07/2021

For and on behalf of the Board
CHEMCRUX ENTERPRISES LIMITED

Sd/-
GIRISHKUMAR C SHAH
Chairman

2.4 Annexure-IV to the Board's Report 2020-21

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2020-21

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

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

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: www.chemcrux.com/investor-info.php under investors info/Corporate Policy.
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NA
- Average net profit of the company as per section 135(5): Rs.10,45,89,756
- Two percent of average net profit of the company as per section 135(5): Rs. 20,91,795 /-
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: N.A.
 - Amount required to be set off for the financial year, if any: N.A.
 - Total CSR obligation for the financial year (7a+7b-7c): Rs. 20,91,795 /-
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Rs. 21.02 Lakhs	Amount	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
		Nil	N.A.	N.A.	Nil

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

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Muni Seva Ashram	Providing Medical and Health care Aid	Yes	Gujarat	Vadodara	10,00,000/-	Yes	NA	NA
2.	AIA Community Trust	Donation for Covid Relief Fund	Yes	Gujarat	Ankleshwar	1,00,000/-	Yes	NA	NA
3.	Smt. Jayaben Mody Hospital	Providing Medical and Health care Aid	Yes	Gujarat	Ankleshwar	9,51,000/-	Yes	NA	NA
4	Covid Related	Contribution to PM Cares for Covid Relief Fund	No	India		51,000/-	Yes	NA	NA
Total						21,02,000/-			

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 21,02,000/-

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

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

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

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

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

Sd/-
Girishkumar Shah
Whole Time Director

Sd/-
Sanjay Marathe
MD & Chairman of CSR Committee

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of CHEMCRUX ENTERPRISES LIMITED ("the Company") which comprise the Balance sheet as at 31st March, 2021, the Statement of Profit & Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

- (a) We draw your attention to Note 46 to the Financial Statements which explain the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to COVID-19 pandemic situation.
- (b) We draw your attention to Note 47 to the Financial Statements regarding Plant Closure on account of environmental compliances for part of 2nd half of the year.

Our opinion is not modified in respect of these matters.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
 - 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, 2021, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2021 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) The remuneration paid by company to its directors is in accordance with the provisions of section 197 of the companies Act 2013 read with Schedule V and is not in excess of the limits specified therein
 - h) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has no pending litigation as on the balance sheet date.
 - (ii) There are no long-term contracts for which provision is required.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Protection Fund by the Company.

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

**Sd/-
CA NAYAN DHOLAKIA
PARTNER
(M R N : 037350)**

UDIN: 21037350AAAABD4447

**Date: 11.06.2021
Place: Vadodara**

Appendix A to Independent Auditors' Report

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

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

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

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

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

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

"ANNEXURE – A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's section of our report of even date for the year ended 31st March 2021 of Chemcruz Enterprises Limited)

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

According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Custom Duty and other material statutory dues applicable to it.
- (vii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to the Company were outstanding, as at 31st March, 2021 for a period of more than six months from the date they became payable.
- (viii) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax or Goods and Service Tax which have not been deposited on account of any dispute.

- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.
- (x) During the year under audit, the company has not raised moneys by way of initial public offer or further public offer. The company has not taken any new Term Loans during the year.
- (xi) During the course of our audit, we have not noticed any fraud done by the Company or any fraud on the Company by its officers or employees.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Sd/-
CA NAYAN DHOLAKIA
PARTNER
(M R N : 037350)**

UDIN: 21037350AAAABD4447

**Date: 11.06.2021
Place: Vadodara**

“Annexure – B” to the Independent Auditor’s Report

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

We have audited the internal financial controls over financial reporting of **CHEMCRUX ENTERPRISES LIMITED** (“the Company”), **as on 31st March, 2021** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Date: 11.06.2021
Place: Vadodara**

**Sd/-
CA NAYAN DHOLAKIA
PARTNER
(M R N : 037350)
UDIN: 21037350AAAABD4447**

CHEMCRUX ENTERPRISES LIMITED- BALANCESHEET AS AT 31ST MARCH, 2021

Particulars	Notes	31/03/2021 (in Rs.)	31/03/2020 (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	35,91,61,666	27,47,61,705
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	5	47,43,656	1,04,96,265
(b) Deferred Tax Liabilities (Net)	6	1,10,05,829	98,90,008
(c) Long-Term Provisions	7	-	-
(4) CURRENT LIABILITIES			
(a) Short-Term Borrowings	8	-	-
(b) Trade Payables	9	84,92,325	2,48,71,526
(c) Other Current Liabilities	10	2,41,31,894	3,97,89,874
(d) Short-Term Provisions	11	3,00,00,000	3,63,00,000
TOTAL		48,68,98,170	44,54,72,178
(II) ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property Plant and Equipment	12		
(i) Tangible assets		20,04,15,332	15,40,22,748
(ii) Intangible Assets		-	-
(ii) Capital work-in-progress		32,04,284	-
(iv) Intangible Asset under Development		-	-
(b) Non-Current Investments	13	4,67,030	4,67,030
(c) Long-Term Loans and Advances	14	78,92,348	1,36,47,514
(d) Other Non-Current Assets	15	10,000	-
(2) CURRENT ASSETS			
(a) Inventories	16	7,37,01,868	4,55,37,274
(b) Trade Receivables	17	3,31,32,435	9,40,75,747
(c) Current Investments	18	8,62,82,404	6,48,34,547
(d) Cash and Cash Equivalents	19	2,71,09,592	2,88,90,064
(e) Short-Term Loans and Advances	20	4,79,78,959	4,18,21,582
(f) Other Current Assets	21	67,03,918	21,75,672
TOTAL		48,68,98,170	44,54,72,178
Notes forming part of the Financial Statements	1 to 48		

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

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

Sd/-
CA Nayan Dholakia
Membership No.: 037350

Place: Vadodara
Date: 11/06/2021

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

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

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Sushilkumar Tripathi
CFO

Sd/-
Dipika Rajpal
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Notes	31/03/2021 (in Rs.)	31/03/2020 (in Rs.)
I	Revenue From Operations	24	53,33,10,152	57,44,96,210
II	Other Income	25	79,64,338	85,79,905
III	Total Revenue (I + II)		54,12,74,490	58,30,76,115
IV	Expenses:			
	Cost of Materials Consumed	26	21,20,02,589	21,19,61,996
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	(41,91,740)	(48,24,057)
	Employee Benefits Expenses	28	6,12,21,493	5,80,04,829
	Financial Costs	29	14,82,081	32,17,515
	Depreciation and Amortization Expenses		1,20,13,132	1,17,61,183
	Other Expenses	30	13,87,53,558	16,18,92,084
	Total Expenses		42,12,81,113	44,20,13,550
V	Profit Before Exceptional / Extra Ordinary Items & Tax (III - IV)		11,99,93,377	14,10,62,565
VI	Exceptional items (Prior Period Expense)		-	13,000
VII	Profit before Extraordinary Items & Tax (V - VI)		11,99,93,377	14,10,49,565
VIII	Extraordinary Items Less: Prior Year's Income Tax Adjustment		(4,58,685)	(7,60,445)
IX	Profit Before Tax (VII - VIII)		12,04,52,062	14,18,10,010
X	Tax expense :			
	(1) Current tax		3,00,00,000	3,63,00,000
	(2) Deferred tax		11,15,821	(9,15,810)
XI	Profit/(Loss) from Continuing Operations (IX-X)		8,93,36,241	10,64,25,820
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)		8,93,36,241	10,64,25,820
XVI	Earning per Equity Share:			
	Basic		18.10	21.56
	Notes forming part of the Financial Statements	1 to 48		

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

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

Sd/-
CA Nayan Dholakia
Membership No.: 037350

Place: Vadodara
Date: 11/06/2021

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

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

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Sushilkumar Tripathi
CFO

Sd/-
Dipika Rajpal
Company Secretary

Cash Flow Statement for the year ended 31st March, 2021

Sr.	Particulars	For the Year ended 31.3.2021 Amount (Rs.)	For the Year ended 31.3.2020 Amount (Rs.)
A.	Cash flow from Operating Activities :		
	<i>Net Profit before Tax & Extra Ordinary Items</i>	12,04,52,062	14,18,10,010
	Adjustment for :		
	Depreciation & Write-offs	1,20,13,132	1,17,61,183
	Interest & Financial Charges	14,82,081	32,17,515
	Gratuity Non Cash Adjustment for AS 15	16,75,612	18,59,470
	(Profit) / Loss on Sale of Asset	-	3,35,064
	(Profit) / Loss on Sale of units of Mutual Fund	(14,51,646)	(38,64,696)
	<i>Operating Profit before Working Capital Changes</i>	13,41,71,241	15,51,18,546
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	6,09,43,312	1,42,61,760
	(Increase)/Decrease in Inventories	(2,81,64,594)	(44,50,979)
	(Increase)/Decrease in Loans & Advances	(4,02,211)	(59,88,893)
	(Increase)/Decrease in Other Current Assets	(43,44,950)	9,20,820
	(Increase)/Decrease in Other Non-Current Assets	(10,000)	11,33,351
	(Increase)/Decrease in Other Non Current Investments	-	-
	Increase/(Decrease) in Trade Payables	(1,63,79,201)	(1,84,06,597)
	Increase/(Decrease) in Provisions	(63,00,000)	(22,00,000)
	Increase/(Decrease) in Other Current Liabilities	(1,56,57,980)	68,63,037
	<i>Cash Generated from Operations</i>	12,38,55,617	14,72,51,045
	<i>Gratuity Paid</i>	18,58,908	19,73,560
	Direct Taxes Paid	3,00,00,000	3,63,00,000
	<i>Cash Flow before Extra Ordinary Items</i>	9,19,96,709	10,89,77,485
	Extra Ordinary Items		-
	<i>Net Cash Flow from Operating Activities</i>	9,19,96,709	10,89,77,485
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(6,16,10,000)	(5,37,50,287)
	Net Proceeds From Sale of Asset	-	50,000
	Purchase of Mutual Fund Units	(11,62,84,404)	(13,48,39,547)
	Sale of Mutual Fund Units	9,62,88,193	11,23,34,547
	<i>Net Cash used in Investment Activities</i>	(8,16,06,211)	(7,62,05,287)
C.	Cash Flow from Financing Activities		
	Increase/(Decrease) in Share Capital	-	-
	Increase/(Decrease) in Short Term Borrowings	-	(22,65,769)
	Increase/(Decrease) in Long Term Borrowings	(57,52,609)	(93,28,313)
	Interest Paid	(14,82,081)	(32,17,515)
	Dividend Paid	(49,36,280)	(2,08,29,130)
	<i>Net Cash used in Financing Activities</i>	(1,21,70,970)	(3,56,40,727)
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	(17,80,472)	(28,68,529)
	Cash and Cash Equivalents (Opening)	2,88,90,064	3,17,58,593
	Cash and Cash Equivalents (Closing)	2,71,09,592	2,88,90,064

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

Sd/-
CA Nayan Dholakia
Membership No.: 037350

Place: Vadodara
Date: 11/06/2021

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

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

Sd/-
Sushilkumar Tripathi
CFO

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Dipika Rajpal
Company Secretary

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ANNEXED THERETO FOR THE YEAR ENDED 31ST MARCH 2021:

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

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

2. Significant Accounting Policies:

I. Method of Accounting:

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

II. Use of Estimates

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

III. Fixed Assets & Depreciation:

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

IV. Inventory:

- a. Raw Materials are valued ‘at Cost’ on FIFO basis. ‘Cost’ includes all duties, taxes and other expenses incurred to bring the inventories to their present location and condition.
- b. Finished products are valued at lower of cost or net realizable value and including the excise duty payable on this stock.

- c. Semi-Finished Goods have been valued at Raw Material cost increased by a proportion of overheads and semi-finished goods of job work valued at cost of own raw materials involved in the process increased by overheads in consonance with the stage of completion as certified by the management.

V. Employee Benefits:

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

VI. Sales/Turnover and Income Recognition:

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

VII. GST and Input Tax Credit:

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

VIII. Foreign Currency Transactions:

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

IX. Borrowing Costs:

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

X. Investments:

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

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

XI. Accounting for Taxes on Income:

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

XII. Contingencies / Provisions:

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

XIII. Impairment of Assets:

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

XIV. Public Issue Expenditure:

Expenditure incurred on the Public Issue of Shares of the Company (net of subsidy received against the same) is being amortized over a 3 year period starting from the date of allotment of shares to the applicants.

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

NOTES FORMING PART OF BALANCESHEET FOR THE YEAR ENDED 31ST MARCH 2021

3. SHARE CAPITAL: -

Particulars		31/03/2021 (₹)	31/03/2020 (₹)
(a)	AUTHORISED		
	60,00,000 { p.y. 60,00,000 } Equity Shares of `10/- each	6,00,00,000	6,00,00,000
(b)	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL.		
	*49,36,280 { p.y. 49,36,280 } Equity Shares of `10/- each	4,93,62,800	4,93,62,800

*(of which 1800140 equity shares of Rs. 10/- each issued as fully paid-up bonus shares by capitalisation of free reserves during F.Y. 2016-17).

(c) RECONCILIATION OF NUMBER OF SHARES

Particulars	31st March, 2021		31st March, 2020	
	No. of Shares	Amount `	No. of Shares	Amount `
Balance at the Beginning (Nos.)	49,36,280	4,93,62,800	49,36,280	4,93,62,800
Addition / (Reduction)	-	-	-	-
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 `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, 2021		31st March, 2020	
	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	-	-	-	-

- (f) The Board of Directors, in its meeting held on 11th June, 2021 have proposed a Final Dividend of 20% i.e., Rs. 2/- per equity share for the Financial Year ended 31st March, 2021. The said proposal would result in a cash outflow of Rs.98,72,560/-. The said proposal of Final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

4. RESERVES & SURPLUS: -

Particulars		31/03/2021 (₹)	31/03/2020 (₹)
(a) SECURITIES PREMIUM RESERVE			
	Balance as at the beginning of the year	1,06,88,000	1,06,88,000
	Add : Securities Premium received during the year	-	-
	TOTAL ` (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	26,40,73,705	17,84,77,015
	Add : Profit for the year	8,93,36,241	10,64,25,820
	Less : Appropriations :		
	Final Dividend (2019-20)	49,36,280	-
	Final Dividend (2018-19)	-	24,68,140
	Interim Dividend (2019-20)	-	1,48,08,840
	Corporate Dividend Tax on Dividend	-	35,52,150
	TOTAL ` (b)	34,84,73,666	26,40,73,705
	TOTAL ` (a+b)	35,91,61,666	27,47,61,705

5. LONG TERM BORROWINGS: -

Particulars		31/03/2021 (₹)	31/03/2020 (₹)
(a) SECURED :			
Term Loans :			
	From Kotak Mahindra Bank Ltd.	35,38,425	88,92,098
	From Kotak Mahindra Prime Ltd (Car Loans)	1,49,839	6,12,379
		36,88,264	95,04,477
(b) UNSECURED :			
	From Directors	10,55,392	9,91,788
		10,55,392	9,91,788
	TOTAL `	47,43,656	1,04,96,265

Balances of Term Loans from Kotak Mahindra Bank Ltd include:

- Outstanding against Term Loan of ` 145.76 lacs secured against all existing and future receivables, current assets and movable fixed assets. Rate of Interest is EBLR 4.0% (as per latest sanction) + 3.90% (spread) i.e., 7.90%. The installments commenced from February 2018 and last installment is due in January 2023.
- Outstanding Term Loan of ` 82.23 lacs secured against all existing and future receivables, current assets and movable fixed assets. Applicable Rate of Interest is EBLR 4.0% (as per latest sanction) + 3.90% (spread) i.e., 7.90%. The installments commenced from June 2018 and last installment is due in May 2023.
- Previous Year Figure also includes an outstanding against Term Loan of ` 67.56 lacs, secured against all existing and future receivables, current assets and movable fixed assets. Rate of Interest was 6m MCLR 8.80% (at the time of sanction) + 0.02% i.e., 8.82%. The installments commenced from January 2018. This Loan was paid off in its entirety during the year.)
- The above facilities are further secured by collateral security of Factory Land, Building at GIDC, Ankleshwar and hypothecation of existing Plant & Machinery and also personal guarantee of two Directors.

Balances of Term Loans from Kotak Mahindra Prime Ltd include:

- a. Term loan for purchase of Car and secured against hypothecation of the same. The Loan is repayable in 60 equated monthly installments starting from 05th December 2017 with last installment payable on 05th November 2022. Rate of Int.: 8.64%
- b. Term loan for purchase of Car and secured against hypothecation of the same. The Loan is repayable in 36 equated monthly installments starting from 01st May 2019 with last installment payable on 01st April 2022. Rate of Interest: 10.9%

Unsecured Loan:

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

6. DEFERRED TAX LIABILITIES (Net): -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Deferred Tax Liabilities (difference between accounting and tax depreciation)	1,10,05,829	98,90,008
Net Deferred Tax Liabilities as at the year end	1,10,05,829	98,90,008

7. LONG TERM PROVISIONS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Provision for Employee Benefits		
Provision for Gratuity (Net)	-	-
(b) Others	-	-
TOTAL	-	-

8. SHORT TERM BORROWINGS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
SECURED :		
From Kotak Mahindra for Working Capital (repayable on demand)	-	-
	-	-

[*] During the year the company has discontinued availment of Cash Credit facilities and in turn availed constant Overdraft limit of Rs. 100 lacs, which bears interest of EBLR 4.0% (as per latest sanction) + 3.90% (spread) with quarterly reset based on EBLR. The facilities are secured by Collateral security of factory Land and guarantee of two directors of the Company. However, the limits were subsequently revised to Rs. 10 lacs and the same were subsisting at the year end. The balance against Overdraft account as at year end was a debit balance and hence reflected under note 19 - Balances with Banks.

9. TRADE PAYABLES: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Sundry Creditors for Goods	84,92,325	2,48,71,526
(b) Sundry Creditors for Capital Goods	-	-
TOTAL	84,92,325	2,48,71,526

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

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

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

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

10. OTHER CURRENT LIABILITIES: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Current Maturities of Long Term Debts		
- Kotak Mahindra Prime Ltd - Term Loans (Installments due within one year)	4,62,540	9,30,830
- Kotak Mahindra Bank Ltd - Term Loans (Installments due within one year)	40,71,632	77,79,862
(b) Interest Accrued but not due on borrowing	45,798	1,20,976
(c) Interest Accrued and due on borrowings	-	-
(d) Incomes Received in Advance	-	-
(e) Unpaid Dividends	2,000	3,98,000
(b) Others Payables :		
- Creditors for Expenses	1,15,27,498	1,68,39,876
- Statutory Liabilities	8,47,519	49,21,458
- Other Payables	71,74,907	73,75,835
- Advances Received from Customers	-	14,23,037
TOTAL	2,41,31,894	3,97,89,874

11. SHORT TERM PROVISIONS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Provision for Employee Benefits	-	-
(b) Provision for Current Taxation	3,00,00,000	3,63,00,000
TOTAL	3,00,00,000	3,63,00,000

12. FIXED ASSETS: -

ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance as on 01/04/2020	Additions during the Year	Deduction / Disposal	Balance as on 31-03-2021	Balance as on 01/04/2020	Deductions	Depreciation for the year 31-03-2021	As on 31/03/2021	As on 31/03/2020
Tangible Assets									
Land	2,01,31,392	-	-	2,01,31,392	-	-	-	2,01,31,392	2,01,31,392
GIDC Quarter	1,83,415	-	-	1,83,415	64,372	-	64,372	1,19,043	1,19,043
Factory Building	4,20,29,447	3,51,23,900	-	7,71,53,347	59,39,824	-	17,96,840	6,94,16,683	3,60,89,623
Office Equipment	18,87,533	75,038	-	19,62,571	11,05,447	-	2,37,312	6,19,812	7,82,086
Office Premises	6,67,062	67,16,251	-	73,83,313	6,17,666	-	6,17,666	67,65,647	49,396
Furniture & Fixtures	18,27,196	7,712	-	18,34,908	5,13,593	-	1,45,904	6,59,497	13,13,603
Plant & Machinery	12,78,00,058	1,52,11,481	-	14,30,11,539	4,23,23,581	-	83,75,834	5,06,99,415	9,23,12,124
Computer	20,55,596	2,71,334	-	23,26,930	15,16,377	-	2,78,386	17,94,763	5,32,167
Motor Car	64,35,163	-	-	64,35,163	19,16,158	-	6,96,850	26,13,008	38,22,155
Pollution Control System	75,99,840	10,00,000	-	85,99,840	25,96,937	-	4,82,006	30,78,943	55,20,898
Factory Building R&D - WIP	-	32,04,284	-	32,04,284	-	-	-	32,04,284	-
Total	21,06,16,702	6,16,10,000	-	27,22,26,702	5,65,93,955	-	1,20,13,132	6,86,07,087	20,36,19,616
Previous Year	15,79,70,750	5,40,95,287	14,49,335	21,06,16,702	4,55,52,043	7,19,271	1,17,61,183	5,65,93,955	15,40,22,748

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.

13. NON-CURRENT INVESTMENTS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Investments in Equity Instruments (At Cost)		
Unquoted , Non Trade		
36703 {P.Y. 36703} Equity Shares of ₹ 10 each of Narmada Cleartech Ltd (Previously known as Bharuch Eco-Acqua Inf. Ltd)	3,67,030	3,67,030
25000 {P.Y. 25000} Equity Shares of ₹ 10 each of Ankl. Reas. & Analy Infrastructure Ltd.	1,00,000	1,00,000
TOTAL	4,67,030	4,67,030

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

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Capital Advances	-	55,68,166
(b) Security Deposits	78,92,348	80,49,348
(c) Other Loans and Advances (recoverable in cash or kind or for value to be received)	-	30,000
TOTAL	78,92,348	1,36,47,514

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

15. OTHER NON-CURRENT ASSETS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Long-term Trade Receivables	-	-
(b) Others		
Fixed Deposits (maturity after 12 Months)	10,000	-
TOTAL	10,000	-

16. INVENTORIES: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Raw Materials	4,30,85,457	1,91,12,603
Work-in-Progress	2,49,96,447	2,21,69,615
Finished Goods	53,19,964	39,55,056
Stores and Spares	3,00,000	3,00,000
TOTAL	7,37,01,868	4,55,37,274

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

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Outstanding for a period exceeding Six Months	58,11,483	8,30,677
(b) Others	2,73,20,952	9,32,45,070
TOTAL	3,31,32,435	9,40,75,747

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

18. CURRENT INVESTMENTS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Investment in Mutual Funds (At Cost)		
Quoted , Non Trade		
UTI Money Market Fund (15002.933 Units, P.Y Nil Units)	3,57,78,065	-
UTI Liquid Cash Plan (15307.86 Units, P.Y Nil Units)	5,05,04,339	-
UTI Overnight Fund (Nil Units. P.Y. 23730.936 Units)	-	6,48,34,547
TOTAL	8,62,82,404	6,48,34,547
Market Value of Quoted Investmetns	8,75,29,553	6,48,82,629

19. CASH AND CASH EQUIVALENTS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Balances with Banks	2,53,96,219	1,89,47,633
(b) Margin Money Deposits (Maturing within 12 Months)	10,44,212	98,23,603
(c) Cash on Hand	6,69,161	1,18,828
TOTAL	2,71,09,592	2,88,90,064

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

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Advance Income Tax and Refunds Receivable	3,53,18,623	3,82,10,265
Indirect Taxes Recoverable Balance with Revenue Authorities	53,57,736	1,78,187
Advances to Staff	20,55,000	20,72,654
Other Short Term Loans and Advances (recoverable in cash or kind or for value to be received)	52,47,600	13,60,476
TOTAL	4,79,78,959	4,18,21,582

21. OTHER CURRENT ASSETS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Advance to Suppliers	60,18,837	16,73,887
Gratuity Account (Excess of Fair Value of Planned assets over Present Value of Obligations)	6,85,081	5,01,785
TOTAL	67,03,918	21,75,672

22. CONTINGENT LIABILITIES AND COMMITMENTS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Contingent Liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees	-	-
Other Moneys for which Company is contingently liable	-	-
TOTAL	-	-

23. In the opinion of the Board, all assets which are considered good (other than Fixed Assets and Non- Current Investments) are expected to realise 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 2021

24. REVENUE FROM OPERATIONS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Sale of Products		
- Domestic Sales	32,04,01,692	34,01,02,584
- Export Sales (including Deemed Exports)	10,75,08,460	6,87,19,326
Total Sale of Products	42,79,10,152	40,88,21,910
(b) Other Operating Revenues		
- Job Work	10,54,00,000	16,56,74,300
Total Operating Revenues	10,54,00,000	16,56,74,300
TOTAL	53,33,10,152	57,44,96,210

25. OTHER INCOME: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Duty Drawback	13,51,356	9,99,369
Interest Income	7,51,029	16,59,033
Exchange Rate Difference (Net)	12,97,468	19,02,844
Gain on Investment in Mutual Fund	14,51,646	38,64,696
Rate Differences, Discounts, Write-offs (Net)	8,14,150	1,39,360
Sales Tax / VAT Refund Received	22,81,765	-
Other Income	16,924	14,603
TOTAL	79,64,338	85,79,905

26. COST OF MATERIALS CONSUMED: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Opening Stock of Raw Materials	1,91,12,603	1,94,85,681
Add : Purchases (incl. Import Duties)	22,39,07,446	20,02,05,253
	24,30,20,049	21,96,90,934
Less : Closing Stock of Raw Materials	4,30,85,457	1,91,12,603
Raw Materials Consumed	19,99,34,592	20,05,78,331
Stores and Consumables	1,01,00,942	92,40,546
Packing Materials	19,67,055	21,43,119
TOTAL	21,20,02,589	21,19,61,996

Material Consumption	31st March 2021		31st March 2020	
	Amount (Rs.)	% Consumed	Amount (Rs.)	% Consumed
Imported	7,97,46,179	39.89	4,48,19,336	22.35
Indigeneous	12,01,88,413	60.11	15,57,58,995	77.65
	19,99,34,592	100.00	20,05,78,331	100.00

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

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Opening Stocks		
Finished Goods	39,55,056	1,07,70,619
Work-in-Progress	2,21,69,615	1,05,29,995
Stores and Spares	3,00,000	3,00,000
	2,64,24,671	2,16,00,614
Closing Stocks		
Finished Goods	53,19,964	39,55,056
Work-in-Progress	2,49,96,447	2,21,69,615
Stores and Spares	3,00,000	3,00,000
	3,06,16,411	2,64,24,671
TOTAL	(41,91,740)	(48,24,057)

28. EMPLOYEE BENEFIT EXPENSES: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Salaries and Wages	3,05,66,243	2,80,79,989
Provident Fund ,ESI , Bonus and Gratuity	74,71,257	72,02,150
Directors' Remuneration *	2,10,00,000	2,10,00,000
Staff Welfare	21,83,993	17,22,690
TOTAL	6,12,21,493	5,80,04,829

* Remuneration for the year includes Rs. 42 lacs (P.Y Rs 84 Lacs for F.Y 2018-19) towards performance bonus for F.Y 2019-20

29. FINANCE COSTS: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Interest on Loans from Banks	10,22,576	19,74,763
Bank Charges and Other Borrowing Costs	96,297	1,08,630
Others Interest	3,63,208	11,34,122
TOTAL	14,82,081	32,17,515

30. OTHER EXPENSES: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(a) Manufacturing \ Direct Expenses		
Freight, Octroi & Transportation	2,08,70,967	2,50,32,150
Repairs & Maintenance	1,37,71,290	1,81,94,961
Fuel Charges	2,99,45,070	3,87,89,531
Effluent Treatment Charges	1,45,91,175	1,97,62,992
Labour Charges	90,34,302	87,40,019
Other Factory Expenses	2,69,99,002	3,15,82,827
Total (a)	11,52,11,806	14,21,02,480

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
(b) Administrative & Other Expenses		
Audit Fees	1,00,000	1,00,000
Conveyance & Petrol Exp	6,79,559	5,82,235
CSR Expense	21,02,000	12,96,000
Donation	-	1,87,000
Directors' Sitting Fees	35,000	63,500
Insurance Premium	31,14,709	24,54,437
Legal, Professional, License & Filing Fees	34,79,429	28,35,789
Office & General Administration Expenses	9,28,494	11,68,689
Repairs & Maintenance (Shed & Building)	21,37,108	30,15,461
Security Service Charges	14,79,823	12,88,986
Travelling Expenses	1,15,861	3,43,346
Rent, Rates & Taxes	17,69,949	25,67,247
IPO Expenses Written Off	-	11,33,351
Loss on Assets due to Sale / Discard / Scrap / Others	-	3,35,064
Foreign Travelling Expense	-	2,42,710
Environment Compensation Charges	25,00,000	-
Total (b)	1,84,41,932	1,76,13,815
(c) Selling & Distribution Expenses		
Custom Clearing Charges for Exports	38,56,654	16,69,795
Sales Commission	1,88,850	3,01,750
Advertisement Exp	1,54,316	2,04,244
Total (c)	41,99,820	21,75,789
(d) Research & Development Expenses		
Legal & Professional Expense	9,00,000	-
Total (d)	9,00,000	-
TOTAL (a+b+c+d) `	13,87,53,558	16,18,92,084

31. CORPORATE SOCIAL RESPONSIBILITY: -

Gross Amount Required to be spent by the Company during the year **₹ 20.92 Lacs**
(As per the provisions of S. 135 of the Companies Act, 2013 read with rules thereon)

The Company has spent a sum of Rs.21.02 Lacs through contributions made to registered Trusts inter-alia involved in activities specified in Schedule VII of the Companies Act, 2013 and having a established track record of more than 3 years for the same.

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

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Raw Materials	8,17,42,897	4,70,13,673
TOTAL `	8,17,42,897	4,70,13,673

33. EXPENDITURE IN FOREIGN CURRENCY: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Travelling Exp	-	97,100
TOTAL `	-	97,100

34. EARNINGS IN FOREIGN CURRENCY: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Export of Goods on FOB basis	10,59,74,460	6,85,18,526
TOTAL	10,59,74,460	6,85,18,526

35. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE: -

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Sundry Creditors	75,63,696	53,76,719
Sundry Debtors	73,46,272	72,71,548
TOTAL	1,49,09,968	1,26,48,267

36. AUDITORS' REMUNERATION

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
As Statutory Auditors	1,00,000	1,00,000
In Other Capacity	-	-
TOTAL	1,00,000	1,00,000

37. DIRECTORS' REMUNERATION: -

Directors' Remuneration paid during the year is within the limits prescribed by Section 197 read with Part II of Schedule V of the Companies Act, 2013. Remuneration paid during the year of Rs. 2,10,00,000/- (P.Y Rs. 2,10,00,000/-) includes Rs. 42,00,000/- (P.Y Rs. 84,00,000/-) being Performance bonus relating to F.Y 2019-20 which when included with regular remuneration of F.Y 2019-20 remains within aforesaid limits. Perquisites of Free Usage of Car are given to the Directors. No contributions are made to P.F. and they are not considered eligible for Bonus, Gratuity and Leave Encashment.

38. DISCLOSURE ON LEASES: -

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

Particulars	31/03/2021 (₹)	31/03/2020 (₹)
Lease Payments Recognised in Statement of Profit and Loss Account	14,40,000	22,42,800
TOTAL	14,40,000	22,42,800

39. SEGMENT REPORTING: -

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

40. 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.

41. 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. 20,00,000. 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.

Changes in Present Value of Defined Benefit Obligation	31/03/2021 (₹)	31/03/2020 (₹)
Present Value of Obligations as at the beginning of the Year	1,41,97,269	1,20,71,231
Interest Cost	10,29,302	9,05,342
Current Cost	7,80,904	6,29,015
Benefits Paid	(4,81,342)	(7,61,424)
Actuarial (gains) / losses on obligation	9,33,667	13,53,105
Present Value of Obligations as at the end of the Year	1,64,59,800	1,41,97,269
Change in Fair Value of Plan Assets	31/03/2021 (₹)	31/03/2020 (₹)
Fair Value of Plan Assets as at the beginning of the Year	1,46,99,054	1,24,58,925
Expected Return on Plan Assets	10,68,261	10,27,992
Contributions	18,58,908	19,73,560
Benefits Paid	(4,81,342)	(7,61,424)
Actuarial (gains) / losses on Plan Assets	NIL	NIL
Fair Value of Plan Assets as at the end of the Year	1,71,44,881	1,46,99,054
Defined Benefit Obligation as recognized in Balance Sheet	31/03/2021 (₹)	31/03/2020 (₹)
Present Value of Obligations as at the Year end	1,64,59,800	1,41,97,269
Fair Value of Plan Assets as at the Year end	1,71,44,881	1,46,99,054
Net Asset / (Liability) recognized in Balance Sheet	6,85,081	5,01,785
Net Gratuity Benefit Expenditure Recognised in P&L Account	31/03/2021 (₹)	31/03/2020 (₹)
Current Service Cost	7,80,904	6,29,015
Interest Cost	10,29,302	9,05,342
Expected Return on Plan Assets	(10,68,261)	(10,27,992)
Net Actuarial (Gain) / Loss Recognised in the Year	9,33,667	13,53,105
Net Expense Recognised in Statement of Profit and Loss	16,75,612	18,59,470
Principal Assumptions Used	31/03/2021 (₹)	31/03/2020 (₹)
Discount Rate	7.00%	7.25%
Expected Return on Plan Assets	7.25%	7.25%
Salary Escalation Rate	7.00%	7.00%
Major Categories of Plan Assets		
Insurer Managed Funds	100%	100%

42. BORROWING COSTS: -

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

43. RELATED PARTY TRANSACTIONS: -

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

a. List of Related Parties

Nature of Relation	Name of Related Parties
Key Managerial Person	Mr. Girish Shah-Chairman and WTD
	Mr. Sanjay Marathe-Managing Director
	Mrs.Sidhdhi Shah-Director
	Mrs. Neela Marathe-Director
	Mr. Sushil B Tripathi - CFO
	Mrs. Ekta Kumari - CS (Till 20.02.2021)
	Mrs. Dipika Rajpal - CS (From 05.03.2021)
Enterprise over which Key Management Personnel have significant influence	Dr Prem's Molecules Private Ltd

b. Transaction and Balances with Related Parties

Name of Related Parties	Transaction during year		Balances as at	
	2020-21 (Rs.)	2019-20 (Rs.)	31.03.2021	31.03.2020 (Rs)
Key Managerial Person				
Director Remuneration	2,10,00,000	2,10,00,000	-	-
Unsecured Loans Recd/(Paid) (net)	63,604	67,087	10,55,392	9,91,788
Interest on Unsecured Loan	74,605	75,384	-	-
Remuneration to CFO	3,80,864	1,75,440	-	-
Remuneration to CS	3,89,765	4,05,000	-	-
Lease Rent	12,65,000	13,60,000	80,926	-
Lease Deposit	-	-	2,00,000	2,00,000
Enterprise over which Key Management have Significant Influence				
Legal & Professional Expense (R&D)	9,00,000	-	94,500	-

44. EARNINGS PER SHARE: -

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

Particulars		2020-21	2019-20
Profit After Taxation	∞	8,93,36,241	10,64,25,820
Weighted Average Number of Equity Shares	Nos.	49,36,280	49,36,280
Nominal Value of Shares		4,93,62,800	4,93,62,800
Earnings Per Share	∞	18.10	21.56

45. IMPAIRMENT OF ASSETS: -

During the previous year, the Company had undertaken an exercise to discard old assets as also to remove certain assets having no value from its Block of Assets. The loss / write-off on this account had been debited to the Profit and Loss Account. In absence of any further indications, external or internal, as to any probable impairment of assets, no further provision has been made for same.

46. IMPACT OF COVID-19: -

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. As a part of its many initiatives to fight this global pandemic, the Central Government / State Governments imposed lockdowns in March 2020 resulting in the activities coming to a complete stop.

The Company being under essential sector, was permitted to operate with restrictions during lockdown. The Company could start making some dispatches during the first few days of April of ready stocks against orders. The Company could partially resume production operations from 14th April 2020, with limited workforce. The Company operated at a lower capacity during that period and with many restrictions. However operational activities slowly improved. The Company could operate at around 60% capacity in May 2020 and the company was fully operational as usual from June 2020.

During this period, there was an obvious loss of production and business and corresponding loss in revenues. However, one of the major end users of the company's products is the pharma industry where due to the circumstances the demands were high. Consequently, the Company managed to overcome the loss of revenues during lockdown with robust business thereafter. The operation cycles were impacted for a little while, but Company had enough liquid surplus to tide over the same and with robust business post lockdown the impact got marginalised.

The Company has a robust ERP system in place and there has been no significant impact on financial controls and reporting. None of the assets of the company have been impaired.

However, towards the end of the year, the Second wave of Covid has once again disrupted operations in certain parts of the country during Mar-April'21. However, the lockdowns are not that severe, especially in Gujarat State and there is no major impact of the same on the business. In fact, the Company is bullish about the future outlook and continues to stay committed to increasing business considering, of course, that the COVID-19 situation keeps improving and the economic situation also remains stable. However, given the uncertainty associated with the nature and duration of the pandemic, the impact may be different from that estimated as at the date of approval of these financial statements. But the Company believes that it will be able to continue to manage the situation without impacting the business substantially.

47. IMPACT OF PLANT CLOSURE: -

The Production Plant of the Company was under closure towards the later part of F.Y. 2020-21 as per environmental directives by Government Authorities. The Company took up the matter immediately on the receipt of closure notice and completed compliance with the directives as early as possible. However, the production could resume only in April 2021 resulting in loss of production during the period which in turn resulted in a drop in Turnover and thereby a drop in profitability as well, specially in the 2nd half of FY 2020-21. However, post compliance of the directives, the production operations have resumed since April 2021 and the Company is constantly ensuring to comply with all environmental compliances.

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

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

Sd/-
CA Nayan Dholakia
Membership No.: 037350

Place: Vadodara
Date: 11/06/2021

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

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

Sd/-
Sanjay Marathe
Managing Director
DIN: 01316388

Sd/-
Sushilkumar Tripathi
CFO

Sd/-
Dipika Rajpal
Company Secretary

Reg. Off.:

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