

CHEMCON SPECIALITY CHEMICALS PVT. LTD.			
Balance Sheet as at 31-March-2017			(Amount In ₹)
Particulars	Note	As at 31-03-17	As at 31-03-16
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	79,444,400	79,444,400
(b) Reserves and Surplus	3	194,295,202	164,281,115
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	20,798,167	18,655,273
(b) Deferred tax liabilities (Net)	5	17,660,833	15,644,080
(3) Current Liabilities			
(a) Short-term borrowings	6	171,209,033	101,732,609
(b) Trade payables	7	125,593,887	66,879,398
(c) Other current liabilities	8	11,144,540	10,622,258
(d) Short-term provisions	9	6,662,725	7,056,897
TOTAL		626,808,787	464,316,030
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Plant Property & Equipment	10	244,974,834	190,168,889
(ii) Capital Work In Progress		-	-
(b) Long term loans and advances	11	38,928,087	31,192,140
(2) Current assets			
(a) Inventories	12	90,413,967	77,576,033
(b) Trade receivables	13	223,881,972	134,188,487
(c) Cash and cash equivalents	14	8,573,967	10,653,863
(d) Short-term loans and advances	15	18,976,011	16,948,300
(e) Other current assets	16	1,059,949	3,588,318
TOTAL		626,808,787	464,316,030
Significant Accounting Policies	1		
Notes on Financial Statement	1-31		
As per Annexed Report of even date			
For SHAH MEHTA & BAKSHI		FOR & ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS		Chemcon Speciality Chemicals Pvt. Ltd.	
FRN No : 103824W			
Kalpit Bhagat	Naresh Goyal	Kamal Aggarwal	
(Partner)	(Director)	(Director)	
MRN No : 142116	DIN:00139277	DIN: 00139199	
Vadodara, Dated - 26th July, 2017			

CHEMCON SPECIALITY CHEMICALS PVT. LTD.			
Statement of Profit and Loss for the year ended 31-March-2017			(Amount In ₹)
Particulars	Note	Year ended on 31-03-17	Year ended on 31-03-16
I Revenue from operations	17	873,532,160	966,860,094
II Other Income	18	4,363,301	2,659,849
III. Total Revenue (I +II)		877,895,461	969,519,943
IV Expenses:			
Cost of materials consumed	19	583,150,482	620,065,999
Changes in inventories of FG,WIP	20	(17,499,098)	13,308,545
Employee benefit expense	21	46,611,565	41,851,648
Financial costs	22	19,491,181	27,420,367
Depreciation and amortization expense	10	23,359,477	22,413,780
Operation & Other expenses	23	175,205,729	194,869,210
Total Expenses		830,319,336	919,929,549
V Profit before tax (V-VI)		47,576,125	49,590,394
VI Tax expense:			
Current tax		15,545,285	17,061,716
Deferred tax		2,016,753	74,545
VII Profit for the year (VII-VIII)		30,014,087	32,454,133
VIII Earning per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	28	3.78	4.09
Significant Accounting Policies	1		
Notes on Financial Statement	1-31		
As per Annexed Report of even date			
For SHAH MEHTA & BAKSHI		FOR & ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS		Chemcon Speciality Chemicals Pvt. Ltd.	
FRN No : 103824W			
Kalpit Bhagat	Naresh Goyal	Kamal Aggarwal	
(Partner)	(Director)	(Director)	
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Vadodara, Dated - 26th July, 2017			

1 Significant Accounting Policies

A Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprise mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

B Use of Estimates

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements, the reported amount of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes difference from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

C Revenue Recognition

- a) Sales
Sales are recognized on shipment or dispatch to customer and are inclusive of income from job work, excluding excise duty and VAT, net of trade discounts and returns if any.
- b) Other Income
Other Income is recognized on accrual basis except when realisation of such income is uncertain. Export incentives, insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

D Plant Property & Equipment

Property Plant & Equipment are stated at cost, net of CENVAT credit, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work - in-progress includes the cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the balance sheet date

E Method of Depreciation

- a) Depreciation on fixed assets has been provided on Straight Line method over the useful life of the Asset.
- b) Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practise of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.
- c) Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the date of such addition or upto the date of such sale/discardment, as the case may be.
- d) In case of where the cost of part of asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining assets, the useful life of that significant part has been determined separately.

F Intangible Assets

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

G Investments

Long Term Investments are stated at cost of acquisition, but in case of permanent diminution in value of long term investment, provision is made to recognise the decline.

H Prior Period Adjustments

All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period Adjustments Account "

I Foreign Exchange Transaction

- a) Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transactions. Foreign currency assets and liabilities are translated into Rupees at the rate of exchange prevailing on the date of the Balance Sheet. All exchange differences are dealt with in the statement of profit and loss, except those relating to the acquisition of fixed assets which are adjusted in the cost of the assets till it is ready for the intended use.
- b) Exchange differences arising on account of rollover / cancellation of forward contracts are recognized as income / expense of the period in line with the movement in the underlying exposures.

J Inventories

All the items of Inventories are valued Lower of cost or net realisable value. The basis of determining cost for various categories of inventories is stated hereunder:-

- a) Raw materials First in First out basis
- b) Packing Materials First in First out basis
- c) Material in Transit / Machinery Stores - At Cost
- d) Work in process Material cost plus appropriate share of Labour, Mfg o/hs
- e) Finished Goods Material cost plus appropriate share of Labour, Mfg o/hs
- f) Stores & others At cost

K Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred.

L Provision, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

M Retiring Benefits

- a) Provident Fund
Contribution to PF is made to Government / Recognized provident fund as required by the statutes / rules.
- b) Gratuity
Liability with regard to gratuity has been determined by actuarial valuation as at the balance sheet date. The company contributes to the group gratuity plan of LIC of India.
- c) Leave Encashment
The benefit of encashment of the leave is given to the employees of the company during the year only without right of carried forward & also no such benefits available on retirement of employee.
- d) Bonus
Bonus is provided on the basis of actual payment and hence provisions of Accounting Standard 15, Employee Benefits (revised 2005) are not complied with. It is not possible to quantify the same in absence of details made available to us.

N Taxes On Income

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

O Cash and cash equivalent

Cash and cash equivalents for the purposes of financial statement includes cash in hand, Balances with Banks and Fixed deposits with banks.

P Impairment Of Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Q Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

R Government Grants and Subsidies

- a) Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached thereto and that the grants will be received.
- b) Capital Government Grants or Subsidies relating to specific fixed assets are deducted from the gross value of the respective fixed assets and other capital grants are credited to Capital Reserve.
- c) Other Government Grants or Subsidies relating to an expense item are recognised as income over the period to match them on a systematic basis to the costs or deducted from related expenses.

S Current / Non-Current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

2 Share Capital

	<u>As at 31-03-17</u>	<u>As at 31-03-16</u>
<u>Authorised Share Capital</u>	80,000,000	80,000,000
80,00,000 (80,00,000) Equity Shares of ₹ 10/- each		
<u>Issued, Subscribed and Paid up Capital</u>		
79,44,440 (79,44,440) Equity Shares of ₹ 10/- each fully paid up.	79,444,400	79,444,400
Total	<u>79,444,400</u>	<u>79,444,400</u>
a) Reconciliation of numbers of shares outstanding is set out below		
Equity Shares at the beginning of the year	7,944,440	7,944,440
Changes during the year	-	-
Equity Shares at the end of the year	<u>7,944,440</u>	<u>7,944,440</u>
Total		

Notes on financial statements for the year ended on 31st March 2017

b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Details of Shareholders holding more than 5% shares

	As at 31-03-17		As at 31-03-16	
	No	% holding	No	% holding
1) Nareshkumar Goyal	2,936,990	36.97%	2,936,990	36.97%
2) Kamal Aggarwal	2,977,770	37.48%	2,977,770	37.48%
3) Naresh Goyal - HUF	620,480	7.81%	620,480	7.81%
4) Kamal Aggarwal - HUF	633,200	7.97%	633,200	7.97%

3 Reserves And Surplus

	As at 31-03-17	As at 31-03-16
Profit & Loss Account		
Opening Balance	164,281,115	131,826,982
Add : Profit for the year	30,014,087	32,454,133
Total	194,295,202	164,281,115

4 Long Term Borrowings

Term Loans (from banks) (Secured)

	As at 31-03-17	As at 31-03-16
Volkswagen Finance Private Limited		
Loan against Vehicle	6,295,433	1,129,254
Daimler Financial Services India Pvt Ltd		
Loan against Vehicle	3,346,422	-
HDFC Bank		
Loan against Office	9,798,984	11,037,523
Loan against Vehicle	1,341,578	6,472,821
Total	20,782,417	18,639,598

Unsecured Loans

From Directors	15,750	15,675
Total	15,750	15,675

Total 20,798,167 18,655,273

5 Deferred Tax Liabilities

On account of Depreciation	17,660,833	15,644,080
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Total 17,660,833 15,644,080

6 Short Term Borrowings

Secured Loans		
HDFC Bank (C/C)	40,994,127	101,732,609
HDFC Bank - Buyers Credit	10,239,406	-
HDFC Bank - Export Packing Credit	19,975,500	-
HDFC Bank - WCDL	100,000,000	-

Total 171,209,033 101,732,609

6.1 Working capital loans are secured by Hypothecation of entire raw materials, stock-in-process, stores & spares, packing materials, finished goods and Book-debts of the Company, both present & future.

Notes on financial statements for the year ended on 31st March 2017

7 Trade Payables

For Goods	65,315,268	49,897,139
For Expenses	60,278,619	16,982,259
Total	<u>125,593,887</u>	<u>66,879,398</u>

Notes on financial statements for the year ended on 31st March 2017

8 Other Current Liabilities

	<u>As at 31-03-17</u>	<u>As at 31-03-16</u>
Current Maturities of Long-term Debts	9,874,134	8,284,001
Other Payables	715,062	1,505,454
Advance Received from Customers	555,344	832,803
Total	<u>11,144,540</u>	<u>10,622,258</u>

8.1 Other payable includes

TDS Payable	<u>715,062</u>	<u>1,505,454</u>
	715,062	1,505,454

9 Short Term Provisions

Other Provisions		
Others expenses payable	3,490,486	2,393,143
Excise on Finished goods	19	37
Audit Fees Payable	131,350	125,000
Income Tax	3,040,870	4,538,717
Total	<u>6,662,725</u>	<u>7,056,897</u>

11 Long Term Loans and Advances

Unsecured and Considered Good		
Security deposit & Other Balances	38,928,087	31,192,140
Total	<u>38,928,087</u>	<u>31,192,140</u>

12 Inventories

(Inventories are carried at the lower of cost and net realisable value)

Raw materials	42,148,017	56,472,309
Work-in-progress	20,330,300	2,831,040
Finished goods	173	335
Other (Fuel)	1,631,220	191,199
Packing Materials	1,357,339	465,010
Machinery Stores - Consumables	2,191,615	1,732,870
Goods In Transit	22,755,303	15,883,270
Total	<u>90,413,967</u>	<u>77,576,033</u>

13 Trade Receivables

(Unsecured and Considered Good)

Over six months	3,572,065	5,077,790
Others	220,309,907	129,110,697
Total	<u>223,881,972</u>	<u>134,188,487</u>

Notes on financial statements for the year ended on 31st March 2017

	As at 31-03-17	As at 31-03-16
14 Cash & Bank Balances		
Cash on hand	444,053	799,505
Balance with Banks		
HDFC Bank - current a/c	187,373	83,950
HDFC Bank - EEFC a/c	2,669,521	149,400
Indian Overseas Bank - FDR	10,000	10,000
HDFC Bank - FDR	5,210,000	400,000
Indian Overseas Bank - Current Account	53,020	3,801,826
Indian Overseas Bank - EEFC A/C	-	5,409,182
Total	<u>8,573,967</u>	<u>10,653,863</u>
15 Short Term Loans and Advances (Unsecured and Considered Good)		
Loans and advances to employees	364,755	2,148,104
Balances With Revenue Authorities	872,689	873,059
Other loans & advances	13,823,014	13,823,014
Advanced to Supplier	3,915,553	104,123
Total	<u>18,976,011</u>	<u>16,948,300</u>
16 Other Current Assets		
Other Receivables	24,132	2,507,326
Interest Receivable	233,140	114,818
Prepaid Expenses	802,677	966,174
Total	<u>1,059,949</u>	<u>3,588,318</u>
17 Revenue from Operations	Current Year	Previous Year
Sale of Products	827,342,406	940,408,687
Job Work	68,236,480	64,135,320
Central Sales Tax collected	4,042,391	5,253,077
	<u>899,621,277</u>	<u>1,009,797,084</u>
Less: Excise Duty	22,046,726	37,683,913
Central Sales Tax	4,042,391	5,253,077
Total	<u>873,532,160</u>	<u>966,860,094</u>
17.1 Sale of Products		
Sales - Domestic	220,225,575	332,214,879
Sales - Exports	585,070,105	570,509,895
	<u>805,295,680</u>	<u>902,724,774</u>
18 Other Income		
Interest - FDR & Others	288,610	742,515
Other Income /Discount-Kasar	2,826,909	433,211
Rent Received	746,805	900,000
Export Rebate	500,977	584,123
Total	<u>4,363,301</u>	<u>2,659,849</u>
19 Cost of Materials Consumed	Current Year	Previous Year
Raw Material and Packing		
Opening Stock	56,937,319.00	54,377,527
Add : Purchases	592,473,822.00	638,509,061
	<u>649,411,141.00</u>	<u>692,886,588</u>
Less : Closing Stock	66,260,659.00	72,820,589
Total	<u>583,150,482</u>	<u>620,065,999</u>

Notes on financial statements for the year ended on 31st March 2017

19.1 Purchase of Raw Material and Packing Material		
Indigenous	411,073,214	396,857,492
Imported	181,400,608	241,651,569
	<u>592,473,822</u>	<u>638,509,061</u>
19.2 Purchase of Raw Material and Packing Material (in Percentage)		
Indigenous	69.38%	62.15%
Imported	30.62%	37.85%
20 Changes in Inventories of FG, WIP		
Closing Stock		
Finished Goods	173	335
Semi - Finished Goods	20,330,300	2,831,040
Less : Opening Stock		
Finished Goods	335	14,423,504
Semi - Finished Goods	2,831,040	1,716,416
	<u>17,499,098</u>	<u>(13,308,545)</u>
21 Employee Benefit Expenses		
Wages	41,107,858	38,755,284
Bonus & Ex-Gratia Payment	1,129,316	924,699
Contribution to Provident Fund & Other funds	1,484,036	826,589
Foods & Beverages	222,615	287,209
Medical / Retainer Expenses	289,830	104,129
Staff Welfare, Festival and Other Expenses	2,377,910	953,738
	<u>46,611,565</u>	<u>41,851,648</u>
21.1 Contribution to Provident Fund & Other funds includes		
Provident Fund	1,017,989	808,132
Gratuity & EDLI Fund	464,463	18,457
Gujarat Labour Welfare Fund	1,584	-
	<u>1,484,036</u>	<u>826,589</u>
22 Financial Costs		
Interest - Bank & L/C Discounting	2,366,440	7,057,768
Interest on CC / WCDL	13,459,029	11,789,198
Interest on Property Loan	1,397,257	1,520,966
Interest - On Deposit & Others	159,303	3,158,629
Interest on Car Loan	1,391,440	1,586,342
Bank & Other Charges	717,712	2,307,464
	<u>19,491,181</u>	<u>27,420,367</u>
23 Operational & Other Expenses	Current Year	Previous Year
Manufacturing Expenses		
Consumable Stores	6,622,408	15,217,109
Electrical Expenses	530,110	494,320
Excise Duty & Edu. Cess Paid / Fin. Goods	19	37
Factory & Godown Expense	1,351,043	2,565,443
Freight Inward	5,187,291	6,175,951
Fuel expense (D G Set & Wooden)	16,130,864	18,422,754
Import/Export Expenses	13,029,742	13,146,584
Laboratory & Testing Expense	263,801	202,680
Lifting Charges	623,756	-
Labour Charges / Jobwork Charges	4,678,726	789,299
Material Shortage	(133,505)	-
Power & Fuel	15,221,038	14,767,177
Repairs & maintenance - Machinery	3,467,535	10,529,102
Security Service Expense	1,479,035	1,261,278
	<u>68,451,863</u>	<u>83,571,734</u>

Notes on financial statements for the year ended on 31st March 2017

Administrative & Other Selling Expenses		
Advertisement	134,126	280,873
Computer Expenses	238,595	360,021
Directors Remuneration	65,350,138	70,642,430
Donation	1,616,002	1,287,500
Exhibition Exp	2,542,832	-
Freight Outward	11,792,227	13,586,363
Insurance Expense	1,909,699	1,384,889
Legal, Professional / Consultancy	5,580,682	3,124,396
Office & Sundry expenses	409,686	753,804
Payment to Auditors	125,000	125,000
Penalty	72,196	-
Petrol & Vehicle Expense (Motor Car)	2,280,823	1,629,179
Postages & Courier	165,268	248,369
Printing & Stationery	447,089	420,991
Professional Tax (Company)	2,400	4,800
Profit / Loss on disposal of Assets (Net)	165,446	278,467
Rent, Rates & Taxes	3,641,830	2,350,613
Repairs & Maintenance - Building	1,528,669	5,426,564
Repairs & Maintenance - Others	565,011	633,047
Sales Commission	727,459	713,972
Sales Promotion	58,550	470,716
Subscription & Membership	551,147	442,240
Telephone & Mobile Expenses	526,589	946,709
Transportation for employees	2,406,408	1,780,131
Travelling & Conveyance	3,500,739	3,863,795
Vehicle Expense	415,255	542,607
	106,753,866	111,297,476
Total	175,205,729	194,869,210

23.1 Payment to auditors

	Current Year	Previous Year
For Audit fees	100,000	100,000
For Taxation matters	25,000	25,000
	125,000	125,000

24 Contingent Liabilities not provided for

- Guarantee given by the banks - ₹ 0 Lacs (₹ 0.00 Lacs).
- Letter of Credit issued for purchase of Raw Materials ₹ 207.19 Lacs (₹ 0.00 Lacs)

	(₹ in Lacs)	
	Current Year	Previous Year
25 Value of Imports on CIF Basis		
Raw Material	1,814.01	2,260.87
26 Earning in Foreign Exchange		
Export of goods calculated on FOB basis	5,850.70	1,340.24
27 Expenditure in Foreign Exchange		
Travelling Expenditure	11.14	27.36
Raw Material	1,814.01	2,260.87
Exhibition Expense	12.44	2.59

Notes on financial statements for the year ended on 31st March 2017

28 Earnings per Share (EPS)

1) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (in ₹)	30,014,087	32,454,133
2) Weighted Average number of shares	7,944,440	7,944,440
3) Basic and Diluted Earnings per share (in ₹)	3.78	4.09
4) Face Value per equity share (in ₹)	10	10

29 Previous period figures have been recast/restated to confirm to the classification of the current period.

30 Confirmation of balances of Debtors, Creditors & Loans & Advances for the year are subject to confirmation & reconciliation if any.

Notes on financial statements for the year ended on 31st March 2017

31 Related Party Disclosure

Disclosures as required by Accounting Standard 18 are given below:

Nature of Relationship	Name of Related Party
Key Management Personnel	Naresh Goyal
	Kamal Aggarwal
	Navdeep Goyal
	Himanshu Purohit
Relative of Key Management Personnel	Rajesh Gandhi
	Minal Aggarwal
	Pooja Goyal
Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	Parul Goyal
	Super Industiral Lining Pvt. Ltd.
	Super Chemical Industries
	Medicap Healthcare Limited
	Aditya Developers
	Shivam Petrochem Industries

The following transaction were carried out with the Related Parties in Ordinary course of business.

(₹ in Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Others	Total
(A) Transactions				
Sales of Goods	-	-	10.10	10.10
Purchase (Consumable)	-	-	48.31	48.31
Rent	1.80	5.40	-	7.20
Remuneration & Perquisites	653.50	-	-	653.50
(B) Balances at the Year End				
Closing Balance of Advances	-	-	20.10	20.10
Closing Balance of Sundry Creditor	226.90	-	38.13	265.03
Closing Balance of Sundry Debtor	-	-	-	-

32 Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th De

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

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	1,511,500	319,483	1,830,983
Add: Permitted receipts	-	231,263	231,263
Less: Permitted Payments	-	249,412	249,412
Less: Amount deposited in Banks	1,511,500	-	1,511,500
Closing Cash in hand as on 30th December, 2016	-	301,334	301,334

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

As per Annexed Report of even date

For SHAH MEHTA & BAKSHI
CHARTERED ACCOUNTANTS
FRN No : 103824W

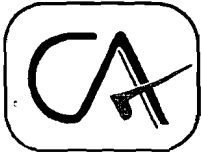
FOR & ON BEHALF OF THE BOARD
Chemcon Speciality Chemicals Pvt. Ltd.

Kalpit Bhagat
(Partner)
MRN No : 142116

Naresh Goyal
(Director)
DIN:00139277

Kamal Aggarwal
(Director)
DIN: 00139199

Vadodara, Dated - 26th July, 2017



2nd Floor, Prasanna House, Associated Society.
Opp. Radhakrishna Park, Nr. Akota Stadium,
Akota, Vadodara - 390020

Phone : +91-265-2331060, 2337727, 2355435

Cell : +91-91732-02343

Email: office@smb-ca.com



INDEPENDENT AUDITORS' REPORT

To the Members of Chemcon Speciality Chemicals Pvt. Ltd.

1. Report on the Financial Statements

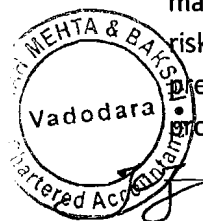
We have audited the accompanying financial statements of **Chemcon Speciality Chemicals Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Board of Directors of the Company are 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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the



appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors of the company, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, its Profit and its cash flows for the year ended on that date.

5. Report on other Legal and Regulatory Requirements


- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of the section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
- ii. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and

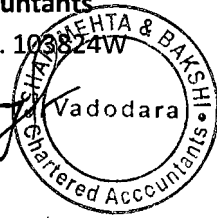


- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. There are no pending litigations which may affect the financial position of the company or which require the financial statements to be restated.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As per information and explanation given to us and based on records examined, there are no amounts that are required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. Based on audit procedures and relying on the management representation we report that the disclosures as envisaged in Notification G.S.R. 308(E) dated 30th March 2017 are in accordance with books of account maintained by the company as produced to us by the management. (Refer Note No-32)

For Shah Mehta & Bakshi
Chartered Accountants

Registration No. 103824W


Kalpit Bhagat
Partner



Membership No. 142116

Place: Vadodara

Date: 26th July, 2017

Annexure - A to the Independent Auditors' Report

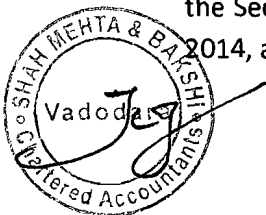
(Referred to in paragraph 'I' under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has in general maintained proper records showing full particulars, including quantitative details and situation of fixed asset;

(b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets having substantial value were verified during the year and according to the information and explanations given to us, no material discrepancy has been noticed. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to information & explanations provided to us, the Company has not advanced any loan to directors/ to a company in which the director is interested to which the provisions of Section 185 of the Companies Act, 2013 apply. The Company has not made any investments and has not granted any guarantees or securities to which the provisions of Section 186 for the Companies Act, 2013 apply.
- v. In our opinion and information & explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and rules framed there under.
- vi. To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of the Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, as amended for any activities carried out by the Company.



vii. According to the information and explanations given to us in respect of statutory dues;

(a) The company has been generally regular in depositing of the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, Custom Duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities.

There were no significant undisputed amount payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues in arrears as at 31st March, 2017 for the period of more than six months from the date they become payable.

(b) According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues which have not been deposited as on 31st March, 2017 on account of dispute.

viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of Loans or borrowings to financial institutions, bank & Government. The company has not issued any debentures.

ix. The company raised money by way of term loans and on an overall examination of the balance sheet, in our opinion and according to the information and explanations given to us the said funds were applied for the purposes for which they were raised. The Company has not raised any money either by way of initial public offer or further public offer.

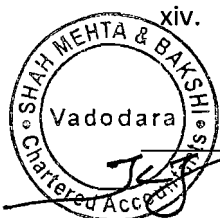
x. To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

xi. The Company being a private limited company, provisions of Section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the company.

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 177 & 188 of the Companies Act, 2013, wherever applicable and the details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.

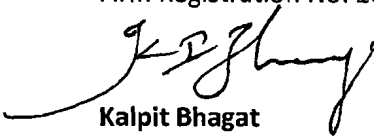
xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

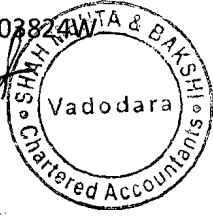


- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions specified under Section 192 of the Companies Act, 2013 with directors or persons connected with him.
- xvi. In our opinion and according to the information and explanations given to us the company is not required to be registered under section 45 IA of the Reserve bank of India Act 1934.

**For Shah Mehta & Bakshi
Chartered Accountants**

Firm Registration No. 103824W


Kalpita Bhagat
Partner



Membership No. 142116

Place: Vadodara

Date: 26th July, 2017

Annexure-B: Report on the Internal Financial Controls under Clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 'F' under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Chemcon Speciality Chemicals Pvt. Ltd.** ("the Company") as of 31st of March, 2017 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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


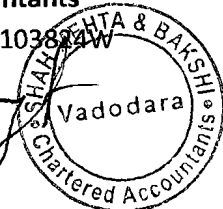
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shah Mehta & Bakshi
Chartered Accountants

Registration No. 103824W

Kalpita Bhagat
Partner

Membership No. 142116

Place: Vadodara

Date: 26th July, 2017

DIRECTORS' REPORT

To,
The Members of
Chemcon Speciality Chemicals Private Limited

Your directors have pleasure in presenting their Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS:

Particulars	(Amount in Rs.)	
	2016-17	2015-16
Revenue from Operations	87,35,32,160	96,68,60,094
Other Income	43,63,301	26,59,849
Total Revenue	877895461	96,95,19,943
Less: Expenses before Interest and Depreciation	78,74,68,678	87,00,95,402
Less: (a) Interest	1,94,91,181	2,74,20,367
(b) Depreciation	2,33,59,477	2,24,13,780
Profit Before Tax	4,75,76,125	4,95,90,394
Less: Tax Expenses		
Current Tax	1,55,45,285	1,70,61,716
Earlier Year Taxes	0	0
Deferred Tax	20,16,753	74545
Profit after Tax	3,00,14,087	3,24,54,133

2. DIVIDEND:

Your Directors have thought fit to plough back the profit in operations for providing long term working capital and hence, opted not to declare any dividend for the financial year ended 31.03.2016.

3. PERFORMANCE REVIEW:

The fiscal year 2016-17 witnessed a moderate rate of growth in the economy. During the year, serious inflationary trends were continued to be felt at various price levels. The rupee also depreciated sharply which had an adverse impact across all sections of the economy. The interest rates also hardened.

Due to the backdrop of the described scenario, your Company was not able to keep its momentum of growth and achieved the total income of Rs. 87.35 Crores compared to Rs. 96.69 Crores in the previous year. The profit after depreciation and tax arrived at Rs. 3.00 Crore as against Rs. 3.25 Crore in the previous year. With its quality products and emphasis on developing and introducing new products in the market from time to time, your Directors are confident to increase growth and achieve better results in the coming period.

4. FINANCE:

During the period under review, the Company paid a sum of Rs. 2.34 Crore towards financial charges and was comfortable in meeting with its obligations. The Company has continued to avail various credit facilities from HDFC Bank, Natubhai Circle, Vadodara.

5. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

7. SUBSIDIARY COMPANY:

As on March 31, 2017, the Company does not have any subsidiary.

8. CHANGE IN THE NATURE OF BUSINESS: There is no change in the nature of the business of the company.

9. DIRECTORS:

Pursuant to the provisions of the Articles of Association, none of the Directors of the Company are liable to retire by rotation.

10. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provision of Section 134(5) of Companies Act, 2013 the Board hereby submits its responsibility statement:-

a) In the preparation of the Annual Accounts for the year ended on 31st March, 2017, the applicable Accounting Standards have been followed, along with proper explanation related to material departures;

b) Accounting Policies have been consistently applied. The judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and the profit and loss of the Company for the accounting year ended on that date;

c) Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis; and

e) The Directors had laid down internal financial control to be followed by the company and those internal financial controls are adequate and were operating effectively.

f) The Directors had devised proper system to ensure compliance with provision of all applicable laws and that such system were adequate and operating effectively.

11. AUDITORS:

The Auditor's Report is not qualified and is self explanatory and does not require any further clarifications.

M/s. Shah, Mehta & Bakshi, Chartered Accountants, Vadodara, the Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and recommended for re-appointment.

12. PUBLIC DEPOSITS:

The Company has neither accepted nor renewed any Public Deposits during the year under review. As on date the Company does not hold any fixed deposit from public.

13. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

14. MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the year.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors attended	% of Attendance
1	12/05/2016	6	6	100%
2	11/08/2016	6	6	100%
3	06/09/2016	5	5	100%
4	19/11/2016	5	5	100%
5	10/02/2017	6	6	100%

15. DECLARATION BY INDEPENDENT DIRECTORS:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

16. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE

ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:

The Company, being a Private Limited Company was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

17. SHARE CAPITAL

The paid up equity Share Capital as on March 31, 2017 was Rs. 7,94,44,400/-. During the year under review the company has not issued any shares or any convertible instruments.

18. 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

No Bonus Shares were issued during the year under review.

D. EMPLOYEE STOCK OPTION PLAN

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

19. RELATED PARTY TRANSACTIONS

Related party transactions that were entered during the financial year where on an arm's length basis and where in the ordinary course of business. There were no materially significant related party transactions with the company's promoter, director, management or their relatives, which could have had a potential conflict with the interest of the company.

The particulars of transactions or contracts entered or arrangements made with related parties pursuant to provisions of section 188 of the Companies Act, 2013 is provided in **Annexure II** (in the format AOC 2) and is attached to this Report.

20. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provision of companies Act, 2013 regarding Corporate Social Responsibility were not attracted to the company for the financial years 2016-17.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not advanced any loans/ given guarantees/ made investments.

22. Director's Remuneration:

The Breakup of Directors' remuneration are as follows:

Name of the Director	Relationship with other Directors	Sitting Fees	Salary & Allowances	Contribution to PF	Perquisites	Commission	Total
Mr. Himanshu Purohit	N.A.	-	16,80,000	-	-	-	16,80,000
Mr. Kamal Aggarwal	N.A.	-	3,09,95,069	-	-	-	3,09,95,069
Mr. Naresh Goyal	Father of Navdeep Goyal	-	2,22,63,379	-	-	-	2,22,63,379
Mr. Rajesh Gandhi	N.A.	-	16,80,000	-	-	-	16,80,000
Mr. Navdeep Goyal	Son of Naresh Goyal	-	87,31,690	-	-	-	87,31,690

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, requiring the disclosure of particulars regarding Conservation of Energy in Form A ,Technology Absorption in Form B and Foreign Exchange earnings and / or outgo in Form C, is enclosed herewith vide Annexure-A.

The Company has not accepted any Fixed Deposits from the public.

23.. ISO 9001 CERTIFICATE:

The Company continued with ISO 9001-2008 Certificate.

24. INDUSTRIAL RELATIONS:

It was another year of good industrial harmony throughout the company, a year in which the previous year's production records were by and large maintained and exceeded.

25. INSURANCE:

All stocks, machineries and other properties and insurable interest of your Company are adequately insured.

26. SECRETARIAL AUDITOR

The Company was not required to appoint Secretarial Auditor.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN 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 in **Annexure I**.

28. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in **Annexure III** (in the format MGT 9) and is attached to this Report.

28. ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the Banks, and statutory authorities and other agencies associated with the Company during the period under review. Your Directors place on record their appreciation for the wholehearted and continued support extended by the employees of the Company.

Registered Office:

Block No.355,
Manjusar-Kumpad Road,
Village: Manjusar, Taluka: Savli,
Dist. Vadodara

Date: 26th July, 2017

For and on behalf of the Board

Director	Director
Naresh Goyal	Kamal Aggarwal
DIN-00139277	DIN - 00139199

ANNEXURE I TO THE DIRECTORS' REPORT

DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS FURNISHED.

A. CONSERVATION OF ENERGY:

(a)	Energy conservation measures taken: The Company continues its efforts to improve methods of energy conservation and utilization.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy: NIL
(c)	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Reduction in energy consumption.
(d)	Total energy consumption and energy consumption per unit of production: As per Form A.

FORM A

**Disclosures of Particulars with respect to consumption of energy
(To the extent applicable)**

A.		Power and fuel consumption	Current Year 2016-17	Previous Year 2015-16
1.	Electricity			
	(a)	Purchased		
		Unit (KHP)	20,64,252	19,22,040
		Total amount (Rs. In lacs)	1,39,89,996.04	1,42,91,022.02
		Rate/unit (Rs. /KHP)	6.77	7.44
	(b)	Own generation		
	(i)	Through diesel generator		
		Total Unit	18400.00 Ltrs.	32000.00 Ltrs.
		Unit per-liter, of diesel oil	60.18	60.55
		Total Cost	11,07,432	19,37,652
	(ii)	Through steam turbine / generator	Not Applicable	
		Units		
		Units per liter of fuel oil/gas		
		Cost/units		
2.	Coal (specify quality and where used)		Not Applicable	
		Quantity (tones)		
		Total Cost		
		Average rate		
3.	Furnace oil		Not Applicable	
		Quantity (liters)		
		Total amount (Rs. In lakhs)		
4.	Others/internal generation (Please give details) WOOD			
		Quantity	57,22,523.00 in Kgs.	58,51,981.00in Kgs.
		Total cost	1,64,43,498	1,62,34,030
		Rate/unit	2.87 per Kgs.	2.77 per Kgs.
B.		Consumption per unit of production	Current Year 2016-17	Previous Year 2015-2016
		Name of products (Kgs.) HMDS / TMCS/ PY HGO & OTHERS	3,46,27,858	1,55,02,302
		Electricity (Units)	0.40	0.92
		Furnace oil (Rs.)	NIL	NIL
		Coal (specify quality)	NIL	NIL
		Diesel	0.03	0.11
		Others (specify) WOOD	0.47	1.05

B. TECHNOLOGY ABSORPTION:

(e)	Efforts made in technology absorption: As per Form B
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FORM B

Form for disclosure of particulars with respect to absorption Research and development (R&D)

1.	Specific areas in which R&D carried out by the company.	:	Quality control, process improvement, technology up gradation, development of new product mix, evaluation of alternate raw material, and minimizing affluent load/recycling of waste. A full-fledged laboratory has been established by the Company for the aforesaid purposes.	
2.	Benefits derived as a result of the above R&D.	:	Improvement in yield and quality, reduction in process cycle, development of new products mix and raw materials.	
3.	Future plan of action	:	The Company will continue its R&D programme uninterruptedly with a more stress on more product mix development.	
4.	Expenditure on R&D	:		
			2016-2017	2015-2016
	(a) Capital		-	-
	(b) Recurring		2,63,801	2,02,680
	(c) Total		2,63,801	2,02,680
	(d) Total R&D expenditure as a percentage of total turnover.		0.03%	0.02%

Technology absorption, adoption and innovation		
1.	Efforts in brief made towards technology absorption, adoption and innovation.	The technology is being indigenous one, fully absorbed by the Company.
2.	Benefits derived as a result of the above efforts. e.g. product improvement, cost reduction, development, import substitution etc.	Product improvement and achievement of production targets.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year), following information may be furnished:	The Company has not imported any technology and hence, not applicable.
	a) Technology	
	b) Year of import	
	c) Has technology been fully absorbed?	
	d) If not fully absorbed, areas where this not taken place reasons therefore and future plans of action.	

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(f)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans – As mentioned in the Directors' Report.	
(g)	Total foreign exchange used and earned	2016-2017 (Rs. In lacs)
(i)	CIF value of imports	1841.01
(ii)	Earning in foreign exchange	5850.70

Registered Office:

Block No.355,
Manjusar-Kumpad Road,
Village: Manjusar, Taluka: Savli,
Dist. Vadodara

Date: 26th July, 2017

For and on behalf of the Board

Director	Director
Naresh Goyal	Kamal Aggarwal
DIN-00139277	DIN - 00139199

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Key Management Personnel					Relative to Key Management Personnel			Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	
		Mr. Kamal R Aggarwal Director	Mr. Naresh K Goyal Director	Mr. Himanshu Purohit Director	Mr. Rajesh Gandhi Director	Mr. Navdeep Goyal	Mrs. Minal Aggarwal	Mrs. Pooja Goyal	Ms. Parul Goyal	Super Industrial Lining Pvt. Ltd.	Super Chemical Industries
a)	Name (s) of the related party & nature of relationship	Mr. Kamal R Aggarwal Director	Mr. Naresh K Goyal Director	Mr. Himanshu Purohit Director	Mr. Rajesh Gandhi Director	Mr. Navdeep Goyal	Mrs. Minal Aggarwal	Mrs. Pooja Goyal	Ms. Parul Goyal	Super Industrial Lining Pvt. Ltd.	Super Chemical Industries
b)	Nature of contracts/arrangements/transaction	Rent, Remuneration,	Remuneration	Remuneration	Remuneration	Remuneration	Rent	Rent	Rent	Purchase	Sales
c)	Duration of the contracts/arrangements/transaction	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.	Which is ongoing.
d)	Salient terms of the contracts or arrangements or transaction including the	Rs. 180000/- Rent, Rs.3,09,95,06 9/- remuneration	Rs.2,22,63,37 9/- remuneration	Rs.1680000/- remuneration	Rs.1680000/- remuneration	Rs.8731690/- remuneration	Rs 1,80,000/- Rent	Rs 1,80,000/- Rent	Rs 1,80,000/- Rent	Rs 4830902/- as purchase	Rs 1010453/- as Sales

Corporate Office : 9th Floor, Onyx Business Center, Akshar Chowk, Old padra Road, Vadodara - 390 020.INDIA Tel.: 91 265 2981195
 2983754, Fax: 91 265 2983754 Email: info@cscpl.com , expo@cscpl.com , kaggarwal@cscpl.com
Regd. Office : Block No. 355, Manjusar- Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara - 391 775. INDIA
 Tel.: 91 2667 264103/ 4/ 5 Fax: 91 2667 26436



CHEMCON
Speciality Chemicals Pvt. Ltd.



Reg. No. : GUJ/Q-1665
CIN : U24231GJ1988PTC011652

e)	Date of approval by the Board	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.	N.A. Since the contract was entered into in the ordinary course of business and on arm's length basis.
f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Place: Manjusar, Dist. Vadodara
Date: 26.07.2017

By Order of the Board of Directors
For Chemcon Speciality Chemicals Private Limited

Kamal R. Aggarwal
Wholetime Director

Naresh V. Goyal
Wholetime Director

Form No. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U24231GJ1988PTC011652
ii.	RegistrationDate	15/12/1988
iii.	Name of the Company	CHEMCON SPECIALITY CHEMICALS PRIVATE LIMITED
iv.	Category / Sub-Category of the Company	Private company having Shares Capital(Limited by Shares)
v.	Address of the Registered office and contact details	Block No. 355, Manjusar Kumpad Road, Village - Manjusar, Taluka - Savli, Vadodara - 391775
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and TransferAgent, if any	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	CALCIUM BROMIDE SOLUTION	28275990	45.00
2	HEXAMETHYLDISILAZANE(H.M. D.S)	29319090	24.76
3	CHLOROMETHYL ISOPROPYL CARBONATE	29209099	12.48

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NameAnd AddressOf The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
NA	NA	NA	NA	NA	NA

a) Bodies Corp. (i) Indian (ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (Specify)									
HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B) = (B)(1) + (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	7944440	7944440	100	Nil	7944440	7944440	100	0

ii. Shareholding of Promoters

S r. N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	NARESHKUMAR GOYAL	2940990	37.019	Nil	2940990	37.019	Nil	Nil
2	KAMAL RAJENDRA AGGARWAL	2981770	37.532	Nil	2981770	37.532	Nil	Nil

3	NARESH VIJAYKUMAR GOYAL - HUF	620480	7.810	Nil	620480	7.810	Nil	0
4	KAMAL AGGARWAL - HUF	633200	7.970	Nil	633200	7.970	Nil	0
5	MINAL AGGARWAL	360000	4.531	Nil	360000	4.531	Nil	0
6	SUBHRANGANA GOYAL	136000	1.712	Nil	136000	1.712	Nil	0
7	PARUL GOYAL	136000	1.712	Nil	136000	1.712	Nil	0
8	NAVDEEP GOYAL	136000	1.712	Nil	136000	1.712	Nil	0
	Total		100	Nil	7944440	100	Nil	Nil

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs) NIL

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in holding during year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No		Shareholding at the beginning of the year	Shareholding at the end of the year	% change in holding

		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	during year
1	Naresh Vijay Kumar Goyal	2940990	37.019	2940990	37.019	0.00%
2	Kamalkumar Rajendra Aggarwal	2981770	37.532	2981770	37.532	0.00%
3	Navdeep Naresh Goyal	136000	1.712	136000	1.712	0.00%
4	Rajesh Chimanlal Gandhi	Nil	Nil	Nil	Nil	Nil
5	Himanshu Prafulchandra Purohit	Nil	Nil	Nil	Nil	Nil
	Total	6058760	100%	6058760	100%	0.00%

I. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	12,03,72,207	15,675	NIL	12,03,87,882
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	12,03,72,207	15,675	NIL	12,03,87,882
Change in Indebtedness during the financial year				
- Addition	7,16,19,243	75	NIL	7,16,19,318
- Reduction				
Net Change	7,16,19,243	75	NIL	7,16,19,318
Indebtedness at the end of the financial year	19,19,91,450	15,750	NIL	19,20,07,200
i) Principal Amount				
ii) Interest due but notpaid				
iii) Interest accrued but not due				
Total (i+ii+iii)	19,19,91,450	15,750	NIL	19,20,07,200

II. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr. Kamal Aggarwal	Mr. Naresh Goyal	Mr. Rajesh Gandhi	Mr. Himanshu Purohit	Mr. Navdeep Goyal	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3,09,95,069	2,22,63,379	16,80,000	16,80,000	87,31,690	6,53,50,138
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
6.	Total(A)	3,09,95,069	2,22,63,379	16,80,000	16,80,000	87,31,690	6,53,50,138
	Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil	Nil

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total(1)	Nil	Nil	Nil	Nil	Nil
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total(2)	Nil	Nil	Nil	Nil	Nil
	Total(B) = (1 + 2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

D. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961		Nil		Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil		Nil	
4.	Commission - as % of profit -others,specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	Nil	Nil	Nil	Nil

III. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					

C. Other Officers In Default	
Penalty	None
Punishment	
Compounding	

Registered Office:
Block No.355,
Manjusar-Kumpad Road,
Village: Manjusar, Taluka: Savli,
Dist. Vadodara

Date: 26th July, 2017

For and on behalf of the Board

Director **Director**
Naresh Goyal **Kamal Aggarwal**
DIN-00139277 **DIN - 00139199**