

Date: 01st October, 2018

To,

**The Manager,**

**BSE Limited,**

Corporate Relationship Department,

Phiroze Jeejeebhoy Tower,

Dalal Street, Mumbai – 400 001

**Scrip Code: 539230**

**Sub: Reg. 34 of the SEBI (LODR) Regulations, 2015**

Dear Sir,

We enclosed herewith, pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, Annual Report of the company for financial year 2017-18.

Kindly take on your records.

Yours faithfully,

**For Chemiesynth (Vapi) Limited.**



**Sandip S. Zaveri,**  
**Managing Director, DIN: 00158876**

**Encl.:** Annual Report 2017-18



**Sales Off.:**

B-401/402, 4th Floor, Neelkanth Business Park, Vidyavihar (West), Mumbai - 400 086, India.

Tel. : +91 22 25144402 / 25145357 Web : [www.chemiesynth.com](http://www.chemiesynth.com)

**Regd. Off & Works :**

Plot No. 27, GIDC, Vapi, Gujarat - 396 195, India. Tel. : +91 260 2432885 / 2432036

**CIN: L24110GJ1986PLC008634**



Chemiesynth  
..... Group

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**Annual Report  
2017-18**

**Chemiesynth (Vapi) Limited**

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## **Corporate Information**

### **Board of Director:**

MR. SATISH BHOGILAL ZAVERI	- Non Independent Non Executive Director
MR. SANDIP SATISHBHAI ZAVERI	- Managing Director
MR. BHANURAI NAGINDAS MEHTA	- Non Independent Non Executive Director
MR. PRAMOD GOPALDAS GUJARATHI	- Additional Independent Director
Mrs.ZARNA NILESH SHAH	- Additional Woman Independent Director

### **Auditors:**

M/s. Milin J. Jani & Co.,  
Chartered Accountant, Vapi.

### **Secretarial Auditors:**

M/s. SAMATA SARAF,  
Company Sectors, Mumbai

### **Registered Office:**

CIN: L24110GJ1986PLC008634  
Plot No. 27, GIDC, Vapi  
Dist. Valsad, Gujarat – 396 195.

### **Audit Committee:**

Ms. Zarna N. Shah	- Chairman
Mr. Pramod G. Gujarathi	- Member
Mr. Sandip Zaveri	- Member

### **Registrar & Share Transfer Agent:**

Purva Sharegistry (India) Pvt. Ltd.  
Unit no. 9, Shiv Shakti Ind. Estt.  
J .R. Boricha marg,  
Opp. Kasturba Hospital Lane  
Lower Parel (E), Mumbai 400 011

### **Nomination & Remuneration**

#### **Committee:**

Mr. Pramod G. Gujarathi	- Chairman
Mr. Zarna N. Shah	- Member
Mr. Bhanuraj Mehta	- Member

### **32nd Annual General Meeting:**

Day : Friday  
Date : 28th September, 2018  
Venue : Plot No. 27, GIDC, Vapi  
Dist. Valsad – 396 195  
Time : 11:30 AM

### **Book Closure:**

Date:22/09/2018 to 28/09/2018  
Both days inclusive)

### **Company Secretary &**

#### **Compliance Officer:**

Mr. Shinil U. Nambrath

### **Chief Financial Officer:**

Mr. Parimal A. Desai

### **Website:**

[www.chemiesynth.com](http://www.chemiesynth.com)

### **CIN:**

L24110GJ1986PLC008634

**: Notice :**

Notice is hereby given that the 32nd Annual General Meeting of the Members of **CHEMIESYNTH (VAPI) LIMITED** will be held on Friday, 28th September 2018 at 11:30 AM at the Registered Office of the Company at Plot No. 27, GIDC, Vapi, Dist. Valsad, Gujarat – 396 195 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon.
2. To appoint a director in place of Mr. Bhanuraj N Mehta (DIN: 00158885), liable to retire by rotation in term of section 152(6) of the Companies Act, 2013 and being eligible, seeks reappointment and to pass the following resolution as **ordinary resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 152(6) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Bhanuraj N Mehta (DIN: 00158885) be and is hereby appointed as director of the company, liable to retire by rotation."

**SPECIAL BUSINESS:**

3. Appointment of Independent Director- MS. ZARNA NILESH SHAH:  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT,** pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or amendments or re-enactment thereof for time being in force), Ms. Zarna Nilesh Shah (DIN: 08182313), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from August 08, 2018 and who holds office till the date of the AGM, and in respect of whom the Company has received a notice in writing from a member under Section 160 (1) of the Companies Act, 2013 signifying his intention to propose Ms. Zarna Nilesh Shah (DIN: 08182313) as a candidate for the office of a director of the Company be and is hereby appointed as an Independent Woman Director of the Company for a term of five years ending on August 07, 2023, not liable to retire by rotation."

4. Appointment of Independent Director- MR. PRAMOD GOPALDAS GUJARATHI:  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT,** pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or amendments or re-enactment thereof for time being in force), Mr. Pramod Gopaldas Gujarathi

(DIN: 00418958), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from May 30, 2018 and who holds office till the date of the AGM, and in respect of whom the Company has received a notice in writing from a member under Section 160 (1) of the Companies Act, 2013 signifying his intention to propose Mr. Pramod Gopaldas Gujarathi (DIN: 00418958) as a candidate for the office of a director of the Company be and is hereby appointed as an Independent Director of the Company for a term of five years ending on May 29, 2023, not liable to retire by rotation.”

**5. Appointment of Non Executive Director – MR. RUSHABH SURESH MEHTA:**

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

**“RESOLVED THAT,** pursuant to Section 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or amendments or re-enactment thereof for time being in force), Mr. Rushabh Suresh Mehta (DIN: 00784327) be and is hereby appointed a Non Executive Director of the Company, liable to retire by rotation, and in respect of whom the Company has received a notice in writing from a member under Section 160 (1) of the Companies Act, 2013 signifying his intention to propose Mr. Rushabh Suresh Mehta (DIN: 00784327) as a candidate for the office of a Non Executive director of the Company be and is hereby appointed as an Non Executive Director of the Company for a term of five years ending on 27<sup>th</sup> September, 2023,”

**For and on behalf of the Board of Directors**

**Place:** Vapi

**Date:** 24th August, 2018

**Mr. Sandip S. Zaveri, Managing Director**

**DIN: 00158876**

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 10.00 a.m. and 4.00 p.m. up to the date of the Meeting.
6. Brief resume of all Directors including those proposed to be appointed or re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se are annexed as Annexure A.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
8. The Register of Members and Share Transfer Books will remain closed from 22<sup>nd</sup> September, 2018 to 28<sup>th</sup> September, 2018 (Both days inclusive).
9. The Shareholders are requested to immediately inform the Company's registrars and share transfer agent viz. Purva Share registry P Ltd, regarding changes, if any in their registered address with the PIN Code number.
10. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at <http://www.chemiesynth.com>.
11. Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.

## **12. E-voting:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members facility of voting by electronic means in respect of businesses to be transacted at the 32<sup>nd</sup> Annual General Meeting (AGM) which includes remote e-voting. The Company also proposes to provide the option of voting by means of Ballot Form at the AGM in addition to the electronic voting system mentioned above. Shareholders have also an option to indicate their manner of voting by proxy. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means. **The remote e-voting period starts on Tuesday, 25<sup>th</sup> September, 2018 at 11.00 a.m. and ends on Thursday, 27<sup>th</sup> September, 2018 at 5.00 p.m.**

Ms. Samata Saraf, Proprietor of Samata Saraf, Company Secretaries, A, 302, Anmol Towers, S.V. Road, Goregaon (West), Mumbai - 62 who had consented to act as the Scrutinizer, was appointed by the Board of Directors as the Scrutiniser to scrutinize the voting process (electronically or otherwise) for the 32<sup>nd</sup> Annual General Meeting of the Company in a fair and transparent manner and submit a consolidated Scrutinizer's report of the total votes cast to the Chairman or a person authorised by him in writing.

The procedure with respect to e-voting is provided below:

### **A) In case of Members receiving notice by e-mail from NSDL:**

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 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### **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 screen 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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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, your 'initial password' is communicated to you on your postal address.



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

a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.

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 your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. 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 [samata\\_saraf@yahoo.co.in](mailto:samata_saraf@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. 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](http://www.evoting.nsdl.com) to reset the password.

3. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **B) In case of Members receiving Notice of Annual General Meeting by post:**

a. Initial password is provided on Attendance Slip for the AGM.

b. Please follow all steps from Sl. No. (ii) to Sl. No.(xi) mentioned in (A) above, to cast your vote.

#### **Other Instructions for e-Voting:**

**I.** Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM but before the cut-off date of **21st September, 2018**, may obtain their user ID and password for e-voting from Company's Registrar & Transfer Agents, Purva Sharegistry (I) Pvt Ltd, 9 Shiv Shakti Industrial Estate, J.R. Boricha Marg,

Lower Parel (E), Mumbai, 400011 (Telephone: 022 - 23018261 / 23012518, Fax: 23012517) or NSDL (Phone +91 22 2499 4600).

**II. The remote e-voting period starts on Tuesday, 25th September, 2018 at 11.00 a.m. and ends on Thursday, 27th September, 2018 at 5.00 p.m.** During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the **cut-off date of 21st September, 2018**, may cast their votes electronically. The remote e-voting module will be disabled by NSDL for voting thereafter at 5.00 p.m. on Thursday, 27<sup>th</sup> September, 2018. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

**III.** In case of any queries, you may refer to the "Frequently Asked Questions (FAQs)" for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of NSDL website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**IV.** The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.

**V.** Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot form. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**VI.** The Results of the e-voting will be declared not later than two days of conclusion of the AGM i.e. Sunday, 30th September, 2018. The declared results along with the Scrutinizer's Report will be available on the Company's website at <http://www.chemiesynth.com> and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will also be forwarded to the Bombay Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

13. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut off date i.e. 21st September, 2018.

**14. Members, who do not have access to e-voting facility, may cast their vote by sending duly signed ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS.**

ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS is annexed to this Annual Report.

# **EXPLANATORY STATEMENT IN TERMS OF SECTION 102 (2) OF THE COMPANIES ACT, 2013**

## **Item No.2**

Mr. Bhanuraj N Mehta (DIN: 00158885), is a director liable to retire by rotation. In term of section 152(6) of the Companies Act, 2013, Mr. Bhanuraj N Mehta (DIN: 00158885) shall retire at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. Accordingly, the Board recommends his re-appointment.

He has more than 42 years experience in insurance industry as Surveyor and investor. His views and suggestions are quite helpful in the business activities and decision making in the company.

## **Item No. 3:**

Chemiesynth (Vapi) Limited, being public listed entity, requires to appoint Independent Directors and Woman director on board of the company as per the Companies Act, 2013 and as per the listing agreement, who are not liable to retire by rotation. The company has appointed Ms. Zarna Nilesh Shah as an additional independent non executive director in board meeting dated August 08, 2018.

Ms. Zarna Nilesh Shah, additional independent non-executive woman director of the Company, has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Woman Director and she is independent of the management.

She is Chartered Accountant and having depth knowledge of financial statements and laws. Her expertise in accounting field and her knowledge in regulatory area will help the board to take sound decision.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during 10.00 a.m. and 4.00 p.m. on any working day, excluding Saturday and Sunday, up to the date of the meeting.

## **Item No. 4:**

Chemiesynth (Vapi) Limited, being public listed entity, requires to appoint Independent Directors on board of the company as per the Companies Act, 2013 and as per the listing agreement, who are not liable to retire by rotation. The company has appointed Mr. Pramod Gopaldas Gujarathi as an additional independent non executive director in board meeting dated May 30, 2018.

Mr. Pramod Gopaldas Gujarathi, additional independent non-executive director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

## **Qualification:**

B. Tech. (Chemical Engineering) IIT, Bombay (1976).

Post Graduate Diploma in Management Studies, Bombay University (1984).

Consistent high academic record in school and college and National Scholarship Holder.

## **Work Experience :**

Over 40 Years of work experience in Chemical Industry which includes :

1. Director of Safety and Environment with SRF Limited
2. Director and Site Manager – Technical in Bayer Vapi Pvt Ltd.  
During his tenure in Bayer, he was made incharge of Site Management, Production, Maintenance, Safety, Environment and other related functions like R&D, QA etc.
3. Chief Manager in Lubrizol (I) Ltd.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of the director as Independent Director is now being placed before the Members for their approval .The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during 10.00 a.m. and 4.00 p.m. on any working day, excluding Saturday and Sunday, up to the date of the meeting.

**Item No. 5:**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Rushabh Suresh Mehta , be appointed as an Non Executive Director on the Board of the Company. The appointment of Mr. Rushabh Suresh Mehta, shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Rushabh Suresh Mehta for the office of Director of the Company. Rushabh Suresh Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Copy of draft letter of appointment of Mr. Rushabh Suresh Mehta setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during 10.00 a.m. and 4.00 p.m. on any working day, excluding Saturday and Sunday, up to the date of the meeting.

**Place:** Vapi

**Date:** 24th August, 2018

**For and on behalf of the Board of Directors**

**Mr. Sandip S. Zaveri, Managing Director**

**DIN: 00158876**

## **DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2018**

**Dear Shareholders,**

Your Directors present the 32nd Annual Report and Audited Financial Statements of the company for the year ended 31st March, 2018. Your company is focusing on its core strength and putting its efforts to improve its financial position.

### **FINANCIAL RESULTS**

During the year under review, the financial results on the operations of the Company are as under:

**(Amount in Rupees)**

<b>Particulars:</b>	<b>Current Year (2017-18)</b>	<b>Previous Year (2016-17)</b>
<b>Gross Income</b>	<b>137,719,722</b>	<b>33,641,870</b>
<b>Profit /(Loss) before Depreciation</b>	<b>9,156,524</b>	<b>(199)</b>
<b>Less : Depreciation</b>	<b>(5,211,165)</b>	<b>(1,777,704)</b>
<b>Profit (Loss) before Tax</b>	<b>3,945,359</b>	<b>(1,777,903)</b>
<b>Less Provision for Tax : Current Tax</b>	<b>-----</b>	<b>-----</b>
<b>: Deferred Tax</b>	<b>-----</b>	<b>-----</b>
<b>Profit (Loss) for the year</b>	<b>3,945,359</b>	<b>(1,777,903)</b>

### **ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)**

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101 - First time adoption of Indian Accounting Standards requires that all Ind AS's and interpretations that are issued an effective be applied retrospectively and consistently for all financial years presented.

### **OPERATIONS/STATE OF COMPANY'S AFFAIRS**

During the year under review, gross income has increased from Rs. 33,641,870 to Rs. 137,719,722 while company has reported a profit of Rs 3,945,359 this year from the loss of Rs. (1,777,903) reported last year.

There is no Change in the nature of business during the year under review.

No significant and material orders have been passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future during the year under review.

### **DIVIDEND**

With a view to deploy the profits into the existing operations of your Company, Board of Directors has not recommended any dividend for the year.

### **DEPOSITS**

The Company has not accepted any public deposits under chapter V of the Companies Act, 2013.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company accords high priority to control environment and conservation of energy, which is an on going process. The Company has planted trees to control and maintain environment surrounding of the factory. As required by the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in separate statement attached here to and forming part of the report (Annexure B).

### **SAFETY AND HEALTH**

The Company gives highest priority to safety and occupational health. The workers, officers and other staff members of the Company are given training, from time to time, to deal with any safety and health related emergency situations. The

factory buildings, machineries and intellectual information properties are maintained in safe condition. Process operations and handling of chemicals at the factory are reviewed frequently for safety. Adequate safety equipments are given to workers for safe guard.

**PARTICULARS OF EMPLOYEES**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed. (Annexure C).

**DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the financial year 2017-18, the Company has not received any complaints on sexual harassment.

**LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's Shares are listed.

**INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE**

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and is available on our website <http://www.chemiesynth.com/>.

**AUDITORS**

At the 31st Annual General Meeting of the Company held on 26th day of September, 2017 M/s. Milin J. Jani & Co., Chartered Accountants, (Firm No.: 106396W) were appointed as the Statutory Auditors of the Company from the conclusion of 31st AGM till the conclusion of the 36th AGM of the Company.

**STATUTORY AUDITORS OBSERVATION:**

The Report given by the Auditors on the financial statements of your Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Sr. No.	Performance evaluation of	Performance evaluation performed by	Criteria
1.	Each Individual directors	Nomination and Remuneration Committee	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and guidance provided, key performance aspects in case of executive directors etc.
2.	Independent directors;	Entire Board of Directors excluding the director who is being evaluated	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution, and guidance provided etc.

3.	Board, and its committees	All directors	Board composition and structure; effectiveness of Board processes, information and functioning, fulfillment of key responsibilities, performance of specific duties and obligations, timely flow of information etc. The assessment of committees based on the terms of reference of the committees and effectiveness of the meetings.
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**PARTICULARS OF LOANS, INVESTMENTS AND GURANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The company has not given any loan or guarantee nor made any investment under section 186 of the Companies Act, 2013 in the financial year 2017-18.

**DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

**RISK MANAGEMENT POLICY/ COMMITTEE**

The Management evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return (MGT-9) is annexed herewith and forming part of the report. (Annexure D).

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(3) (c) of the Companies Act, 2013 and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 had 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 had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

- (a) The Company has a proper and adequate system of internal financial controls commensurate with its nature and size of business and meets the following objectives:
- (b) Providing assurance regarding the effectiveness and efficiency of operations;
- (c) Efficient use and safeguarding of resources;
- (d) Compliance with policies, procedures and applicable laws and regulations; and
- (e) Transactions being accurately recorded and reported timely.

(f) The Company has a budgetary control system to monitor expenditures and operations against budgets on an ongoing basis.

#### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of directors have met 6 times and Independent Directors once during the year ended 31st March, 2018.

Meetings of Board of Directors held during financial year 2017-18 are as follows:

1	24 <sup>th</sup> April, 2017	5	14 <sup>th</sup> December, 2017
2	26 <sup>th</sup> May, 2017	6	31 <sup>st</sup> January, 2017
3	28 <sup>th</sup> August, 2017		
4	14 <sup>th</sup> September, 2017		

The Board as on 31st March, 2018 comprises of five Directors out of which four Directors are Non-Executive Directors and one Director is Managing Director who is responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors. The Chairman of the Company is Non-Executive Director. The remaining Two Directors are Independent Directors comprises 40% of the total strength of the Board. Detail of attendance at Board Meeting is as follows:

Name of Director	No. of Board Meetings held during financial year 2016-17	No. of Board Meetings attended	Number of Membership in Boards of Other Companies*	NO. of Membership/ Chairmanship in Other Companies*
Mr. Satish B. Zaveri	6	6	NIL	NIL
Mr. Sandip S. Zaveri	6	6	NIL	NIL
Mr. Bhanuraj N. Mehta	6	6	NIL	NIL
Mr. Minesh Jayshukhlal Shah	6	6	NIL	NIL
Mr. Rushabh Mehta	6	6	NIL	NIL
Ms. Dhara N Thacker	6	4	NIL	NIL

\*Excludes directorships in Private Limited Companies, Section 25 Companies, Foreign Companies. Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders' Relationship/Grievance Committee of Directors only. This does not include Membership/Chairmanship in Committee of Directors of Chemiesynth (Vapi) Limited.

All directors except Ms. Dhara Narottambhai Thacker, were present on 31<sup>st</sup> AGM held on 26th September, 2017.

#### DETAILS OF COMMITTEE OF DIRECTORS (AS ON 31<sup>ST</sup> MARCH, 2018)

##### A. AUDIT COMMITTEE

The composition of Audit Committee consists of two independent directors and a Managing Director.

The terms of reference stipulated by the Board to the Audit Committee are as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Attendance of Committee members during 2017-18 is as follows:

Name	Chairman/ Member	No. of Audit committee meetings	No. of Audit Committee meetings attended
Mr. Minesh J. Shah (Independent Director)	Chairman	5	5
Mr. Rushabh Mehta (Independent Director)	Member	5	5
Mr. Sandip Zaveri (Managing Director)	Member	5	4

Audit Committee meeting were held 5 times on the following dates during the year 2017-18:

1st April, 2017, 26th May, 2017, 28th August, 2017, 14th December, 2017 and 31st January, 2018.

The recommendation by the Audit committee as and whenever made to Board has been accepted by it.



## **B. NOMINATION AND REMUNERATION COMMITTEE**

Composition of Nomination and Remuneration Committee:

Mr. Rushabh Mehta	- Chairman
Mr. Minesh Shah	- Member
Mr. Bhanurai Mehta	- Member

During the financial year 2017-18, Nomination and Remuneration Committee met two times. The meetings were held on 26th May, 2017 and 22nd January, 2018. All committee members were present at both meeting.

## **C. SHAREHOLDER/INVESTORS GRIEVANCE COMMITTEE :**

Your Company is not required to constitute a Shareholder/Investors Grievance committee under section 178 (5) of Companies Act, 2013 and under regulation 20 of SEBI (LODR) Regulations, 2015

## **D. SHARE TRANSFER COMMITTEE**

The Board of Directors in its meeting dated 28th May, 2016 had constituted Share transfer committee for approving transfer request received from Registrar & Share Transfer Agent. Composition of the committee is as follows:

A.	Sandip S. Zaveri	- Chairman
B.	Satish B. Zaveri	- Member
C.	Bhanurai N. Mehta	- Member

Share transfer committee met two times in FY 2017-18 and all members were present in the meeting.

## **PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY**

The company has sold various finished products and/or intermediate products, in ordinary course of business at ARM LENGTH PRICE, to related parties in which directors are interested. Further some of machineries/spare parts, from time to time, were sold to related party during the financial year 2017-18 at current market price and after proper valuation

of machineries. The board of directors has approved the transactions from time to time. (List of transactions is attached. (Annexure E))

## **SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report for the year ended 31st March, 2018 in prescribed form duly audited by the Practising Company Secretary, Ms. Samata Saraf, Proprietor of Samata Saraf, Company Secretaries, A, 302, Anmol Towers, S.V. Road, Goregaon (West), Mumbai - 62, is annexed herewith and forming part of the report.

## **COMMENTS ON SECRETARIAL AUDIT REPORT**

The board of directors are in process of appointment of Internal Auditor and will comply with section 138 of the Companies Act, 2013. Dematerialisation of the promoters shareholding are in process. Other remarks of the Secretarial Auditor is self-explanatory.

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

The company is not falling within the criteria of Section 135 of the Companies Act, 2013. Board of Directors will formulate the policy once it comes within the provisions of Section 135 of the Companies Act, 2013.

## **KEY MANAGERIAL PERSONNEL :**

Mr. Bhupen N Hatkar resigned from the position of Company Secretary w.e.f 31<sup>st</sup> January 2018.  
Mr. Shinil U Nambrath was appointed as Company Secretary w.e.f 31<sup>st</sup> January 2018.

The following is list of Key Managerial Personnel of the company.

Mr. Sandip Satish Zaveri	- Managing Director
Mr. Parimal A. Desai	- Chief Financial Officer
Mr. Shinil U Nambrath	- Company Secretary

## **DIRECTORS**

Ms. Dhara N Thacker was appointed as additional Independent Woman Director in the Board Meeting held on 26<sup>th</sup> May 2017 and her appointment was approved in the 31<sup>st</sup> Annual General Meeting by the Shareholders of the Company.

Mr. Minesh J Shah resigned from his position as Independent Director of the Company w.e.f 31<sup>st</sup> January 2018.

Mr. Bhanuraj N Mehta, Director of the Company, would retire by rotation, at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT.**

Ms. Dhara N Thacker has resigned from the Post of Independent Director w.e.f 30<sup>th</sup> May 2018.

Mr. Rushabh S Mehta has resigned from the Post of Independent Director w.e.f 24<sup>th</sup> August 2018.

Mr. Pramod G Gujarathi was appointed as an Additional Independent Director w.e.f 30<sup>th</sup> May 2018.

Ms. Zarna N Shah was appointed as an Additional Independent Woman Director w.e.f 08<sup>th</sup> August 2018.

## **POLICY ON DIRECTORS' APPOINTMENT**

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Listing Agreement with Stock Exchanges and good corporate practices. Emphasis is given to persons from diverse fields or professions.

## **POLICY ON REMUNERATION**

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that –

- Remuneration to unionised workmen is based on the periodical settlement with the workmen union.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy provides adequate safeguard against victimisation of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism. The Policy is available on the website of the Company <http://www.chemiesynth.com>.

## **POLICIES OF THE COMPANY**

The Board of Directors has formulated the following policies which are available on web site of the company <http://www.chemiesynth.com>.

1. Code Of Business Conduct For Directors And Senior Executives
2. Nomination and Remuneration Policy
3. Vigil Mechanism / Whistle Blower Policy
4. Insider Trading - Code of Conduct
5. Code of Fair Disclosure CSL

6. Preservation of Documents and Archival Policy
7. Policy on Determination of Materiality of Events/Information

#### **SUBSIDIARIES AND ASSOCIATE COMPANY'S**

As on 31st March, 2018, Company has no subsidiaries and associate companies.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management's Discussion and Analysis Report for the year under review is annexed to this report (Annexure F).

#### **SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

The company falls under the criteria 15(2) (a) of the Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 as the Paid up capital of the company was below Rs. 10 Crores and net worth was below Rs. 25 Crores as on the last day of the previous financial year. Hence compliance with Corporate Governance provisions as per Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 are not applicable to company.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its banker, Bank of Baroda and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

**For and on behalf of the Board of Director**

**Place:** Vapi

**Date:** 24th August, 2018

**Mr. Sandip S. Zaveri**  
**Managing Director**  
**DIN: 00158876**

**Mr. Satish B. Zaveri**  
**Director**  
**DIN: 00158861**

## Annexure. A

### Detail of All Directors including those seeking Appointment/Re-appointment at the Annual General Meeting.

#### 1. Mr. Satish Bhogilal Zaveri.

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
25/04/1938	24/04/1986	B.E. (Chemical Engineering)	00158861	1,094,760
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		
1. CS Specialty Chemicals Private Limited 2. CS Performance Chemicals Private Limited		<b>NIL</b>		

#### Expertise in specific functional areas:

He has more than 47 years experience in chemical industry as a technocrat entrepreneur. With the experience earned in the varied areas of business activities and strategic planning, Mr. Satish Bhogilal Zaveri developed using commercially viable business models to stimulate and sustain the social change in the Company.

#### 2. Mr. Sandip Satishbhai Zaveri

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
07/11/1969	30/06/2001	BE, MS Chemical Engineering	00158876	360,500
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		
1. CS Bio - Sciences Private Limited 2. CS Specialty Chemicals Private Limited 3. CS Performance Chemicals Private Limited		<b>NIL</b>		

#### Expertise in specific functional areas:

He has more than 20 years experience in chemical industry as a technocrat entrepreneur. With his experience in the business activities and strategic planning, he is helpful in decision taking in the business of the Company.

#### 3. Mr. Bhanuraj Nagindas Mehta

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
12/10/1937	02/11/1994	Automobile Engineer	00158885	242,500
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		
1. CS Specialty Chemicals Private Limited 2. Solid Quality India Private Limited		<b>NIL</b>		

#### Expertise in specific functional areas:

He has more than 42 years experience in insurance industry as Surveyor and investor. His views and suggestions are quite helpful in the business activities and decision making in the company.

#### 4. Mr. Rushabh Mehta

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
18/11/1968	01/11/2014	B.Com	00784327	<b>NIL</b>
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		

foreign companies)	company
1. Felicity Exports Private Limited	NIL
2. Royal House Agency Private Limited	
3. Lekar Pharma Limited	

**Expertise in specific functional areas:**

He has expert knowledge in Current market affairs of Real Estate.

**Other Information :** He has resigned from his position as Independent Director w.e.f 24<sup>th</sup> August, 2018.

**5. Ms. Dhara Narottambhai Thacker**

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
04/11/1989	26/05/2017	Chartered Accountant	07803293	NIL
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		
NIL		NIL		

**Expertise in specific functional areas:**

She is Chartered Accountant and having depth knowledge of financial statements and laws. Her expertise in accounting field and her knowledge in regulatory area will help the board to take sound decision.

**Other Information: 1.** No remuneration is paid to any director. **2.** She has resigned from her position as Independent Director w.e.f 30<sup>th</sup> May 2018.

**6. Ms. Zarna Nilesh Shah**

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
24/09/1991	08/08/2018	Chartered Accountant	08182313	NIL
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		
NIL		NIL		

**Expertise in specific functional areas:**

She is Chartered Accountant and having depth knowledge of financial statements and laws. Her expertise in accounting field and her knowledge in regulatory area will help the board to take sound decision.

**Other Information: 1.** She is seeking to approve her appointment in the ensuing 32<sup>nd</sup> Annual General Meeting of the Company.

**7. Mr. Pramod Gopaldas Gujarathi**

Date of Birth	Date of Appointment	Qualification	DIN	Number of Shares held in the Company
25/06/1952	30/05/2018	Chemical Engineer	00418958	NIL
<b>Directorship Held in other companies (excluding foreign companies)</b>		<b>Membership/Chairmanship of committees of other company</b>		
SRF Limited		NIL		

**Qualification:**

B. Tech. (Chemical Engineering) IIT, Bombay (1976).

Post Graduate Diploma in Management Studies, Bombay University (1984).

Consistent high academic record in school and college and National Scholarship Holder.

**Work Experience :**

Over 40 Years of work experience in Chemical Industry which includes :

4. Director of Safety and Environment with SRF Limited
5. Director and Site Manager – Technical in Bayer Vapi Pvt Ltd.  
During his tenure in Bayer, he was made incharge of Site Management, Production, Maintenance, Safety, Environment and other related functions like R&D, QA etc.
6. Chief Manager in Lubrizol (I) Ltd.

**Other Information: 1.** He is seeking to approve his appointment in the ensuing 32<sup>nd</sup> Annual General Meeting of the Company.

## **ANNEXURE B**

**Information on conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.**

**(A) Conservation of energy-**

- (i) Steps taken or impact on conservation of energy;
  - a) Improving Natural Light by opening Windows, studying illumination of tube lights by CFL lamps etc.
  - b) Maintaining old machinery in good condition, retrofitting or replacing with energy efficient ones.
  - c) Minimising idle running of machinery.

The above measures undertaken have resulted in savings in the cost of production.

- (ii) Utilising alternate sources of energy: NIL
- (iii) Capital investment on energy conservation equipments: NIL

**(B) Technology absorption-**

- (i) Efforts made towards technology absorption: NIL
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) Imported technology (imported during the last three years reckoned from the beginning of the financial year)-  
NIL
- (iv) The expenditure incurred on Research and Development: NIL

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange Earning	Rs. 80,138,714
Foreign Exchange Outgo	Rs. 1,933,328

## **Annexure. C**

**DISCLOSURE IN THE BOARD'S REPORT UNDER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18.	Director's Name	Ratio to mean remuneration
		Mr. Sandip Zaveri	0 : 1
2	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2017-18 compared to 2016-17.	Director's/CFO/CEO/CS/ Mgr name	% age increase in remuneration
		Mr. Sandip Zaveri	NIL
		Mr. Parimal Desai	5.80 %

		Mr. Bhupendra N. Hatkar (Resigned w.e.f 31/01/18) Mr. Shinil U. Nambrath (Appointed w.e.f 31/01/18)	0.00%		
3	Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17.	0.00 %			
4	Number of permanent employees on the rolls of the company	As on 31.03.2018	As on 31.03.2017		
		34	39		
5	Explanation on the relationship between average increase in remuneration and the company performance	Though company is finding hard for better performance, Increment to employees are given as per industry trends.			
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	No significant increment was given to KMP as company is struggling for overcoming its financial situation.			
7	Variation in	31.03.2018	31.03.2017		
	Market Capitalization	Not available. Trading on BSE yet to commence		Not available. Trading on BSE yet to commence	
	Price Earning Ratio				
	Percentage Increase/decrease of market quotations				
	Net worth of the Company	24,146,928	20,651,568		
8	Average percentile increase in salaries of Employees other than managerial personnel	During 2017-18	During 2016-17		
		0.00%	6%		
9	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company				
	Name of Key Managerial personnel	31.03.18	31.03.17	% age change	Reason against performance of the Company
	Mr. Sandip Zaveri – MD	NIL	NIL	0%	
	Mr. Parimal Desai – CFO	530,290	501,189	5.80%	Consedering industry trend and years of service.
	Mr. Bhupendra Hatkar (Resigned w.e.f 31/01/18) Mr. Shinil U Nambrath (Appointed w.e.f 31/01/18)	356,033	366,690	0.00%	Consedering industry trend and year of service.
10	Key parameter for any variable component of remuneration availed by the Directors	NO			
11	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year(except KMP)	Employee Salary: Highest paid director			
	<b>None of the directors has been paid remuneration. Hence it is not comparable.</b>				

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

No Employee is in receipt of remuneration which requires disclosure as per Rules 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.  
Above all information related to remuneration of employees and directors are based on Gross salary (excluding employers Contribution to PF, ESIC & Professional tax) earned by them.

## **ANNEXURE D**

### **FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### **I. REGISTRATION & OTHER DETAILS:**

<b>1. CIN</b>	L24110GJ1986PLC008634
<b>2. Registration Date</b>	24/04/1986
<b>3. Name of the Company</b>	CHEMIESYNTH (VAPI) LIMITED
<b>4. Category/Sub-category of the Company</b>	Company Limited by Shares/ Indian Non-Government Company
<b>5. Address of the Registered office &amp; contact details</b>	Plot no 27 GIDC Vapi Dist. Valsad, Gujarat, India - 396 195
<b>6. Whether listed company</b>	Yes
<b>7. Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind. Estt. J .R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011. Phone No.: 022 23012518

#### **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)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	5 NITRO INDAZOLE	20110	6.39%
2	FM 506B	20110	49.81%
3	NITRO ETHYL CARBOZLE	20110	16.57%

#### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ subsidiary/ Associate	% of Shares held	Applicable Section
1.	--	--	--	--	--

#### **IV. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

##### **a. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 31.03.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
<b>a) Individual/ HUF</b>	191100	1646600	1837700	59.86	1194160	643540	1837700	59.86	00



b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
(a) NRI Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	191100	1646600	1837700	59.86	1194160	643540	1837700	59.86	00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
<b>g) FIIs</b>	-	-	-	-	-	-	-	-	-
<b>h) Foreign Venture Capital Funds</b>	-	-	-	-	-	-	-	-	-
<b>i) Others (specify)</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	1012000	1012000	32.96	-	1012000	1012000	32.96	00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	800	78400	79200	2.58	800	78400	79200	2.58	00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	141100	141100	4.60	-	141100	141100	4.60	00
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Non Resident Indians</b>	-	-	-	-	-	-	-	-	-
<b>Overseas Corporate Bodies</b>	-	-	-	-	-	-	-	-	-
<b>Foreign Nationals</b>	-	-	-	-	-	-	-	-	-
<b>Clearing Members</b>	-	-	-	-	-	-	-	-	-
<b>Trusts</b>	-	-	-	-	-	-	-	-	-

<b>Foreign Bodies - D R</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	800	1231500	1232300	40.14	800	1231500	1232300	40.14	00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	800	1231500	1232300	40.14	800	1231500	1232300	40.14	00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	191900	2878100	3070000	100	1194960	1875040	3070000	100	00

**b. Shareholding of Promoter-**

SN	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	Satish Bhogilal Zaveri	1094760	35.66	0	1094760	35.66	0	0
2	Sandip S Zaveri	360500	11.74	0	360500	11.74	0	0
3	Bhanuraj Nagindas Mehta	242500	7.90	0	242500	7.90	0	0
4	Charu Bhanuraj Mehta	36000	1.17	0	36000	1.17	0	0
5	Sushila Ramesh Zaveri	24000	0.78	0	24000	0.78	0	0
6	Kamal Satish Zaveri	12000	0.39	0	12000	0.39	0	0
7	Narendra Bhogilal Zaveri	12000	0.39	0	26000	0.85	0	0.46
8	Nirmala Narendra Zaveri	14000	0.46	0	0	0	0	0.46
9	Panna Suresh Mehta	14000	0.46	0	14000	0.46	0	0
10	Rushabh Bhanuraj Mehta	9340	0.30	0	9340	0.30	0	0
11	Dilip Champaklal Zaveri	6600	0.21	0	6600	0.21	0	0
12	R Balasubramanian	6000	0.20	0	6000	0.20	0	0
13	Darshana Satish Zaveri	3000	0.10	0	3000	0.10	0	0
14	Gautam Ramesh Zaveri	3000	0.10	0	3000	0.10	0	0
	<b>Total</b>	<b>1837700</b>	<b>59.86</b>	<b>0</b>	<b>1837700</b>	<b>59.86</b>	<b>0</b>	<b>0</b>

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

SN	Particulars	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	1837700	59.86		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	1837700	59.86

	At the end of the year	1837700	59.86	1837700	59.86
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**d. Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	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
<b>1</b>	<b>UNITED PHOSPHOROUS LIMITED</b>				
	At the beginning of the year	921000	30.00	921000	30.00
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	921000	30.00	921000	30.00
<b>2</b>	<b>GAURAV MALLIK</b>				
	At the beginning of the year	128700	4.19	128700	4.19
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	128700	4.19	128700	4.19
<b>3</b>	<b>SOUTH DELHI INVESTMENTS (P) LTD</b>				
	At the beginning of the year	34900	1.13	34900	1.13
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	34900	1.13	34900	1.13
<b>4</b>	<b>SRF</b>				
	At the beginning of the year	32900	1.07	32900	1.07
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	32900	1.07	32900	1.07
<b>5</b>	<b>PADMABEN C ZAVERI</b>				
	At the beginning of the year	12400	0.40	12400	0.40
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	12400	0.40	12400	0.40
<b>6</b>	<b>SRF FINANCE LIMITED</b>				
	At the beginning of the year	11900	0.39	11900	0.39
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	11900	0.39	11900	0.39
<b>7</b>	<b>CHEMIEFAB (VAPI) P. LTD.</b>				
	At the beginning of the year	10200	0.33	10200	0.33
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	10200	0.33	10200	0.33
<b>8</b>	<b>GIRISH ZAVERI</b>				
	At the beginning of the year	4100	0.13	4100	0.13
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	4100	0.13	4100	0.13
<b>9</b>	<b>KANTABEN K ZAVERI</b>				
	At the beginning of the year	4100	0.13	4100	0.13
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	4100	0.13	4100	0.13
<b>10</b>	<b>PUSHPA SHARMA</b>				
	At the beginning of the year	3500	0.11	3500	0.11
	No Transaction	NIL	NIL	NIL	NIL
	At the end of the year	3500	0.11	3500	0.11

**Note:** The Company has not allotted any shares, issued bonus/sweat equity during the year.

**e. Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	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
<b>1</b>	<b>Satish Bhogilal Zaveri</b>				
	At the beginning of the year	1094760	35.66		
	No Transactions	0	0	1094760	35.66
	At the end of the year	1094760	35.66	1094760	35.66
<b>2</b>	<b>Sandip S Zaveri</b>				
	At the beginning of the year	360500	11.74		
	No transaction	-	-	360500	11.74
	At the end of the year	360500	11.74	360500	11.74
<b>3</b>	<b>Bhanurai Nagindas Mehta</b>				
	At the beginning of the year	242500	7.90		
	No transaction	0	0	242500	7.90
	At the end of the year	242500	7.90	242500	7.90

**Note: No other KMP and directors hold any shares of the company.**

**f. 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				
i) Principal Amount	<b>10,676,395</b>	<b>69,490,000</b>	-	<b>80,166,395</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>10,676,395</b>	<b>69,490,000</b>	-	<b>80,166,395</b>
Change in Indebtedness during the financial year				
* Addition	-	-	-	
* Reduction	<b>(54,156)</b>	-	-	<b>(54,156)</b>
Net Change	<b>(54,156)</b>	-	-	<b>(54,156)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	<b>10,622,239</b>	<b>69,490,000</b>	-	<b>80,112,239</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>10,622,239</b>	<b>69,490,000</b>	-	<b>80,112,239</b>

**g. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Mr. Sandip Satish Zaveri</b>	

<b>1</b>	<b>Gross salary</b> (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	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission</b> - as % of profit - others, specify...	-	-
<b>5</b>	<b>Others, please specify</b>	-	-
<b>6</b>	<b>Total (A)</b>	-	
	<b>Ceiling as per the Act</b>	<b>NIL</b>	

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Rushabh S Mehta	Mr. Minesh Shah	Ms. Dhara N Thacker	
	<b>Independent Directors</b>				
	Fee for attending board & committee meetings	-	-	30,000	30,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	30,000	30,000

<b>2</b>	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (FY2015-16)**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
<b>1</b>	<b>Gross salary*</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	356,033	530,290	886,323
	(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	-	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-	-
<b>4</b>	<b>Commission</b>	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
<b>5</b>	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	356,033	530,290	886,323

\* Remuneration is for actual present days (gross salary excluding employer's and other statutory deductions.)

**XII. 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)
<b>A. COMPANY: NIL</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS: NIL</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT: NIL</b>					
Penalty					
Punishment					
Compounding					

# **Annexure E**

## **Related Party Transactions**

### **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)**

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

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

**2. Details of material contracts or arrangement or transactions at arm's length basis during financial year 2017-18:**

**Nature of the Relationship :**

1. Mr. Sandip Zaveri, Mr. B N Mehta and Mr. Satish Zaveri are interested in CS Speciality chemicals pvt ltd as directors of the company.
2. Mr. Sandip Zaveri and Mr. Satish Zaveri are interested in CS Performance chemicals pvt ltd as directors of the company.

Nature of the Related Party:	(b) Nature of contracts/arrangements/transactions:	(c) Duration of the contracts/arrangements/transactions:	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
CS Specialty Chemicals Pvt. Ltd.	Sale of Cylindrical Vessel	One time	Rs. 21,000/-	24.04.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of MS Receiver 1KL	One time	Rs. 48,899/-	24.04.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of MS/SS Claded Pressurised Nutch Filter	One time	Rs. 261,765/-	24.04.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of Heat Exchanger	One time	Rs. 174,640/-	26.05.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of SS Centrifuge	One time	Rs. 767,000/-	26.05.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of SS316 Filter Press	One time	Rs. 206,500/-	26.05.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of HDPE Reaction Vessel 10 KL	One time	Rs. 413,000/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of HDPE Reaction Vessel 6 KL	One time	Rs. 236,000/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of MS Tank 1 KL	One time	Rs. 54,953.01/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of PP/FRP Reaction Vessel 7.5 KL	One time	Rs. 295,000/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of SS Pipe 1.5	One time	Rs. 33,031.99/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of Pipe 1	One time	Rs. 38,940/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of Cable 1.5 1.5 Sqmm 3 Cores Copper Cable	One time	Rs. 13,992.44/-	14.12.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of 1.5 Sq4 1.5 Sqmm 4 Core Copper Cable	One time	Rs. 84,476.18/-	14.12.2017	NIL
CS Performance Chemicals Pvt. Ltd.	Sale of 2.5sq 2.5 Sqmm 4 Core Copper Cable	One time	Rs. 59,389.38/-	14.12.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of Ga Gear Box With Assembly	One time	Rs. 52,403.16	14.12.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of MO10HPF MOTOR 10 HP FLP	One time	Rs. 35,064.06	14.12.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of MS/SS TANK MS/SS TANK 1 KL	One time	Rs. 74,340.77	14.12.2017	NIL
Cs Specialty Chemicals Pvt. Ltd	Business Support Service (Man power supply)	1 Year Contract	Rs. 1,978,600/-	28.08.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Sale of Goods/processing charges.	Ordinary course of business. Continuous.	Rs.19,216,738/-	24.04.2017	NIL
CS Specialty Chemicals Pvt. Ltd.	Purchase of Goods.	Ordinary course of business and	Rs.76,540,314/-	24.04.2017	NIL

		one time basis (Contract Period : 6 Months)			
CS Performance Chemicals Pvt. Ltd.	Sale of MS/PP Stirrer	One time	Rs. 22,500/-	28.08.2017	NIL

## **Annexure F**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The key areas of Management Discussion and Analysis are given below:

#### **Industry Structure And Developments**

Your Company is a custom manufacturing for leading Agrochemical, Pharmaceutical and Specialty Chemical Companies. Your company has R&D Team. Your company is producing mainly industrial product. India is an important player in the global trade of chemicals, plastics and allied products. The chemical industry has seen an increasing shift towards Asia.

#### **Outlook**

Our focus will continue on sustainable growth by taking measures for increasing our market share of existing products and creating new business in niche industry customers. Your company has started exploring new ways of utilising its valuable assets such as Plant and Machineries, technical know how, ect.

#### **Opportunities and Threats**

The Chemical Industry is critical for the economic development of our country, providing products and enabling technical solutions in virtually all sectors of the economy. The in-house R&D Department has been developing quality products and is also striving for achieving cost efficiencies. Your company is facing competition in domestic market from Foreign competitors, specifically from China.

#### **Risks & Concerns**

Presently, your company is focusing best manufacturing methods keeping in view safety measures. Managing Director is reviewing safety in process from time to time.

#### **Internal Control System and Adequacy**

The Company has suitable and adequate internal control system and adequacy system for safeguarding the assets. Board of Directors is reviewing the system from time to time for benefits of the company.

#### **Human Resources**

The company is providing sufficient motivation for better performance of human resources. Company's main emphasis is on developing skill and expertise in employees.

#### **Financial Performance**

The financial Performance of the Company for the year under review is discussed in detail in the Directors Report.

**For and on behalf of the Board of Director**

**Place:** Vapi

**Date:** 24th August, 2018

**Mr. Sandip S. Zaveri**  
**Managing Director**  
**DIN: 00158876**

**Mr. Satish B. Zaveri**  
**Director**  
**DIN: 00158861**



## **NOTE 1 TO THE FINANCIAL STATEMENTS**

### **1. General Information**

The main business activities of Chemiesynth (Vapi) Limited is manufacturing of Dye Intermediates and Chemicals. Company's manufacturing unit is situated at its registered office at Plot No 27, GIDC, Vapi, Dist : Valsad, Gujarat 396195. Company is a Public Limited Company and listed on Bombay Stock Exchange Limited, Mumbai.

### **2. Summary of Significant accounting policies**

#### **2.1 Basis of Preparation**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015.

#### **Current/Non- Current Classification**

Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Company classifies all other liabilities as non-current. Company has identified twelve months as its operating cycle.

#### **2.2 Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognized in the Profit and Loss Statement in the year in which the results are known/ materialized.

#### **2.3 Property, Plant and Equipment**

Items of Property, Plant and Equipment are valued at cost, namely, cost of acquisition and other incidental expenses directly related to their installation/erection less accumulated depreciation and impairment, if any. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefit from the existing asset beyond its previously assessed standard of performance.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation on tangible assets (other than Leasehold Land) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of Depreciation. Depreciation charge on additions / deletions is restricted to the period of use.

No depreciation is provided for leasehold land since as per the lease agreements; the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without / with marginal payment of further premium.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **2.4 Impairment**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

#### **2.5 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **2.6 Inventories**

Inventories include raw materials, work-in-progress, finished goods. Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises of purchase cost, cost of conversion and other cost including manufacturing overheads incurred in bringing the inventory to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **2.7 Foreign Currency Transactions**

##### **Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

### **Exchange Difference**

Exchange difference arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

## **2.8 Revenue Recognition**

### **Sale of goods and job work charges received:**

Revenue from sale of goods is recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates and indirect taxes. Revenue is recognized to the extent that it is probable that the economic benefits will flow to company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### **Interest income:**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head Other Income in the Statement of Profit and Loss.

## **2.9 Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service. Contribution towards provident fund for employees is made to the regulatory authorities, where company has no further obligations. Such benefits are classified as Defined Contribution Schemes as company does not carry any further obligations, apart from the contributions made on a monthly basis. The Company is in the process of formulating a defined benefit plan in respect of payment of gratuity in accordance with the Payment of Gratuity Act, 1972.

## **2.10 Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating outside Profit and loss, other comprehensive income (OCI) shall be recognized as part of the part of OCI.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, company re-assesses unrecognized deferred tax assets, if any. Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that company will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

### **2.11 Provisions and Contingent Liabilities**

**Provisions:** Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **2.12 Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss 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 for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **2.13 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**CHEMIESYNTH VAPI LTD**  
**BALANCE SHEET AS AT March 31, 2018**

(In Rupees)

S.No	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	<b>A. ASSETS</b>				
<b>I</b>	<b>Non-Current Assets</b>				
	(a) Property, plant and equipment	2	9,62,43,457	9,70,74,107	9,93,75,375
	(b) Financial Assets				
	(i) Investments				
	a) Other Investments	3	35,000	35,000	35,000
	(c) Other Non Current Assets	4	41,54,838	34,88,161	31,87,197
	<b>Total non-current assets</b>		<b>10,04,33,295</b>	<b>10,05,97,268</b>	<b>10,25,97,572</b>
<b>II</b>	<b>Current Assets</b>				
	(a) Inventories	5	36,18,466	97,35,282	64,88,976
	(b) Financial Assets				
	(i) Trade Receivables	6	99,23,409	20,66,944	44,33,998
	(ii) Cash and Cash Equivalents	7	12,62,981	11,61,365	8,19,609
	(iii) Other Financial assets	8	-	1,07,742	1,20,900
	(c) Other Current Assets	9	38,06,093	26,20,119	20,64,838
	<b>Total current assets</b>		<b>1,86,10,949</b>	<b>1,56,91,452</b>	<b>1,39,28,321</b>
<b>III</b>	<b>TOTAL ASSETS</b>		<b>11,90,44,244</b>	<b>11,62,88,720</b>	<b>11,65,25,893</b>
	<b>B. EQUITY AND LIABILITIES</b>				
<b>IV</b>	<b>Equity</b>				
	(a) Equity Share Capital	10	3,07,00,000	3,07,00,000	3,07,00,000
	(b) Other Equity	11	(65,53,072)	(1,04,98,432)	(86,86,149)
	<b>Total equity</b>		<b>2,41,46,928</b>	<b>2,02,01,568</b>	<b>2,20,13,851</b>
<b>V</b>	<b>Liabilities</b>				
	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	i. Borrowings	12	6,94,90,000	6,94,90,000	6,95,91,000
	(b) Other non-current liabilities	13	47,60,689	32,72,013	51,10,345
	<b>Total non-current liabilities</b>		<b>7,42,50,689</b>	<b>7,27,62,013</b>	<b>7,47,01,345</b>
	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	i. Borrowings	14	1,06,22,239	1,06,76,395	1,03,69,030
	ii. Trade Payables	15	96,64,984	1,24,11,542	75,80,615
	iii. Other financial Liabilities	16	-	-	17,01,000
	(b) Other Current Liabilities	17	3,59,404	2,37,202	1,60,052
	<b>Total current liabilities</b>		<b>2,06,46,627</b>	<b>2,33,25,139</b>	<b>1,98,10,697</b>
	<b>Total Liabilities</b>		<b>9,48,97,316</b>	<b>9,60,87,152</b>	<b>9,45,12,042</b>
<b>VI</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,90,44,244</b>	<b>11,62,88,720</b>	<b>11,65,25,893</b>
	<b>Significant Accounting Policies</b>	1			

As per our report of even date

For Milin J Jani & Co.

Chartered Accountants  
Firm Reg. No: 106396W

**Milin J.Jani**

Proprietor  
M.No. 044077  
Place : Ahmedabad  
Date : May 30, 2018

For and on behalf of the Board of Directors

**Satish Zaveri**  
Director(DIN :00158861)

Parimal Desai  
Chief Financial officer

**Sandip Zaveri**  
Managing Director(DIN:00158876)

Shinil Nambrath  
Company Secretary

Place : Vapi  
Date : May 30, 2018

**CHEMIESYNTH VAPI LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(In Rupees)

S.No	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>I</b>	Revenues from Operations (Gross)	18	13,31,64,857	3,09,33,542
<b>II</b>	Other Income	19	45,54,865	27,08,328
<b>III</b>	<b>Total Income (I+II)</b>		<b>13,77,19,722</b>	<b>3,36,41,870</b>
<b>IV</b>	<b>Expenses:</b>			
	Cost of materials consumed	20	7,76,34,696	65,07,475
	Changes in Inventories of finished goods, work-in-progress and stock in trade	21	35,74,048	(3,77,100)
	Employee benefits expense	22	75,69,047	73,70,085
	Finance costs	23	15,91,497	17,56,805
	Depreciation and amortisation expense	2	52,11,165	18,12,084
	Other expenses	24	3,81,93,910	1,83,84,804
	<b>Total Expenses (IV)</b>		<b>13,37,74,363</b>	<b>3,54,54,153</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>39,45,359</b>	<b>(18,12,283)</b>
<b>VI</b>	<b>Tax Expense:</b>			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
			-	-
<b>VII</b>	<b>Profit for the year from continuing operations(V-VI)</b>		<b>39,45,359</b>	<b>(18,12,283)</b>
<b>VIII</b>	<b>Profit for the year</b>		<b>39,45,359</b>	<b>(18,12,283)</b>
<b>IX</b>	<b>Other Comprehensive Income</b>			
	A. i) Items that will not be reclassified to profit or loss			
	a) Changes in revaluation surplus		-	-
	b) Others (specify nature)		-	-
			-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>X</b>	<b>Total Comprehensive Income net of tax</b>		<b>39,45,359</b>	<b>(18,12,283)</b>
<b>XI</b>	<b>Earnings Per Equity Share</b>			
	(a) Basic (In Rs.)		1.29	(0.59)
	(b) Diluted (In Rs.)		1.29	(0.59)
	<b>Significant Accounting Policies</b>	1		

**As per our report of even date**  
**For Milin J Jani & Co.**  
Chartered Accountants  
Firm Reg. No: 106396W

**Milin J.Jani**  
Proprietor  
M.No. 044077  
Place : Ahmedabad  
Date : May 30, 2018

**For and on behalf of the Board of Directors**

**Satish Zaveri**  
Director(DIN :00158861)

**Parimal Desai**  
Chief Financial officer

**Sandip Zaveri**  
Managing Director(DIN:00158876)

**Shinil Nambrath**  
Company Secretary

Place : Vapi  
Date : May 30, 2018

**CHEMIESYNTH VAPI LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

	For the Year ended	
	March 31, 2018	March 31, 2017
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>39,45,359</b>	<b>(18,12,283)</b>
<b>Adjustments for :</b>		
Finance costs recognised in profit or loss	15,91,497	17,56,805
Interest Income recognised in profit or loss	(50,022)	(1,30,285)
Gain on disposal of property, plant and equipment	(5,15,774)	(25,78,043)
Depreciation and Amortisation of non-current assets	52,11,165	18,12,084
	62,36,866	8,60,561
<b>Movements in working capital :</b>		
(Increase) / decrease in trade and other receivables	(78,56,464)	23,67,054
(Increase) / decrease in inventories	61,16,816	(32,46,306)
(Increase) / decrease in other current assets	(10,78,232)	(5,42,123)
(Increase) / decrease in other non current assets	(6,66,677)	(3,00,964)
Increase / (decrease) in trade payables	(27,46,558)	48,30,927
Increase / (decrease) in other non current liabilities	14,88,676	(18,38,332)
Increase / (decrease) in other liabilities	1,22,202	(16,23,850)
	(46,20,237)	(3,53,594)
<b>Net cash generated by operating activities</b>	<b>55,61,988</b>	<b>(13,05,316)</b>
<b>B. Cash flow from investing activities</b>		
Interest received	50,022	1,30,285
Payments for property, plant and equipment	(92,95,766)	(22,18,359)
Proceeds from disposal of property, plant and equipment	54,31,026	52,85,586
<b>Net cash (used in) / generated by investing activities</b>	<b>(38,14,718)</b>	<b>31,97,512</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from bank borrowings	(54,156)	3,07,365
Proceeds / (repayment) of long term borrowings	-	(1,01,000)
Interest paid	(15,91,497)	(17,56,805)
<b>Net cash used in financing activities</b>	<b>(16,45,653)</b>	<b>(15,50,440)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,01,617</b>	<b>3,41,756</b>
Cash and cash equivalents at the beginning of the year	11,61,365	8,19,609
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
<b>Cash and Cash equivalents at the end of the year</b>	<b>12,62,982</b>	<b>11,61,365</b>

**Notes:**

1. Bank Overdrafts which was classified as Financing activity under Indian GAAP will now be included as
2. Cash flow statement should not reflect any items of cash flow as extraordinary.
3. Changes in ownership interest in a subsidiary without loss of control are treated as financing activities.

**As per our report of even date**

**For Milin J Jani & Co.**

Chartered Accountants

Firm Reg. No: 106396W

**For and on behalf of the Board of Directors**

**Milin J.Jani**

Proprietor

M.No. 044077

Place : Ahmedabad

Date : May 30, 2018

**Satish Zaveri**

Director

(DIN :00158861)

**Sandip Zaveri**

Managing Director

(DIN:00158876)

**Parimal Desai**

Chief Financial officer

**Shinil Nambrath**

Company Secretary

**Place : Vapi**

Date : May 30, 2018

**Note 2: Property, Plant and Equipment and Capital Work-in-progress**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Carrying amounts of:</b>			
Leasehold land	15,28,000	15,28,000	15,28,000
Buildings	2,87,20,175	2,91,30,416	2,87,09,484
Plant and equipment	6,48,15,221	6,53,82,890	6,78,83,323
Furniture and Fixtures & Other Equipment	8,04,580	6,57,080	7,94,487
Vehicles	3,11,526	3,36,283	4,17,731
Computer and Accessories	63,955	39,438	42,350
	<b>9,62,43,457</b>	<b>9,70,74,107</b>	<b>9,93,75,375</b>
Capital Work-in-progress		-	-
<b>Total</b>	<b>9,62,43,457</b>	<b>9,70,74,107</b>	<b>9,93,75,375</b>

Particulars	Leasehold land	Buildings	Plant and equipment	Furniture fixtures & Other Equip	Vehicles	Computer & Accessories	Total
<b>Gross carrying amount</b>							
<b>Balance as at April 1, 2016</b>	15,28,000	4,24,03,045	11,29,11,667	63,13,108	28,33,220	7,79,087	<b>16,67,68,127</b>
Additions		12,41,689	9,76,670				<b>22,18,359</b>
Disposals			(64,94,022)				<b>(64,94,022)</b>
<b>Balance as at April 1, 2017</b>	<b>15,28,000</b>	<b>4,36,44,734</b>	<b>10,73,94,315</b>	<b>63,13,107</b>	<b>28,33,220</b>	<b>7,79,087</b>	<b>16,24,92,463</b>
Additions		12,16,012	77,06,636	2,76,279	60,271	36,568	<b>92,95,766</b>
Disposals		-	(73,25,002)				<b>(73,25,002)</b>
<b>Balance at 31-Mar-2018</b>	<b>15,28,000</b>	<b>4,48,60,746</b>	<b>10,77,75,949</b>	<b>65,89,386</b>	<b>28,93,491</b>	<b>8,15,655</b>	<b>16,44,63,227</b>

Particulars	Leasehold land	Buildings	Plant and equipment	Furniture fixtures & Other Equip	Vehicles	Computer & Accessories	Total
<b>Accumulated depreciation and impairment</b>							
<b>Balance at 01-Apr-2016</b>		1,36,93,561	4,50,28,344	55,18,621	24,15,489	7,36,737	<b>6,73,92,752</b>
Eliminated on disposals (Recouped)			(37,86,480)				<b>(37,86,480)</b>
Depreciation expense		8,20,757	7,69,561	1,37,406	81,448	2,912	<b>18,12,084</b>
<b>Balance at 31-Mar-2017</b>		<b>1,45,14,318</b>	<b>4,20,11,425</b>	<b>56,56,027</b>	<b>24,96,937</b>	<b>7,39,649</b>	<b>6,54,18,356</b>
Eliminated on disposals		-					<b>-</b>
Depreciation expense		16,26,253	33,59,054	1,28,779	85,028	12,051	<b>52,11,165</b>
Others (Recouped)			(24,09,751)				<b>(24,09,751)</b>
<b>Balance at 31-Mar-2018</b>		<b>1,61,40,571</b>	<b>4,29,60,728</b>	<b>57,84,806</b>	<b>25,81,965</b>	<b>7,51,700</b>	<b>6,82,19,770</b>
<b>Net carrying amount as on April 1, 2016</b>	<b>15,28,000</b>	<b>2,87,09,484</b>	<b>6,78,83,323</b>	<b>7,94,487</b>	<b>4,17,731</b>	<b>42,350</b>	<b>9,93,75,375</b>
<b>Net carrying amount as on March 31, 2017</b>	<b>15,28,000</b>	<b>2,91,30,416</b>	<b>6,53,82,890</b>	<b>6,57,080</b>	<b>3,36,283</b>	<b>39,438</b>	<b>9,70,74,107</b>
<b>Net carrying amount as on March 31, 2018</b>	<b>15,28,000</b>	<b>2,87,20,175</b>	<b>6,48,15,221</b>	<b>8,04,580</b>	<b>3,11,526</b>	<b>63,955</b>	<b>9,62,43,457</b>



**Note 3 Investments**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount
<b>I. Unquoted Investments</b>			
(a) Other Investments at cost - National Savings Certificates	35,000	35,000	35,000
<b>Total Unquoted Investments</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b>Total Other Investments</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b>Current</b>	-	-	-
<b>Non-current</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>

3.1. Category-wise other investments - as per Ind AS 109 classification	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets carried at amortised cost			
National Savings Certificates	35,000	35,000	35,000
	35,000	35,000	35,000

**NOTE 4 Other non current assets**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Non-current</b>			
a. Security Deposits			
- Unsecured, considered good	17,03,622	17,03,622	17,72,714
b. Loans and advances to employees			
Unsecured, considered good	8,58,598	6,83,658	7,99,358
c. Advance Income tax (net of provisions )			
Unsecured, considered good	15,92,618	11,00,881	6,15,125
	41,54,838	34,88,161	31,87,197

**Note 5 Inventories**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
(At lower of cost and net realisable value)			
(a) Raw materials	24,81,367	49,99,547	20,94,724
(b) Work-in-progress	3,16,177	38,90,225	35,13,125
(c) Finished goods	135	135	135
(d) Stores and spares	8,20,787	8,45,375	8,80,992
	<b>36,18,466</b>	<b>97,35,282</b>	<b>64,88,976</b>

The mode of valuation of inventories has been stated in note 2.6

**Note 6 Trade Receivables**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables			
Secured, considered good	-	-	-
Unsecured, considered good	99,23,409	20,66,944	44,33,998
	<b>99,23,409</b>	<b>20,66,944</b>	<b>44,33,998</b>
<b>Current</b>	<b>99,23,409</b>	<b>20,66,944</b>	<b>44,33,998</b>
<b>Non-current</b>	-	-	-

**Note 7 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
(a) Balances with banks (including deposits with original maturity upto 3 months)			
(i) In Current account	7,75,391	11,40,928	7,88,326
(ii) In Deposit account	4,43,335	-	-
(b) Cash on hand	44,255	20,437	31,283
<b>Cash and Cash Equivalents as per balance sheet</b>	<b>12,62,981</b>	<b>11,61,365</b>	<b>8,19,609</b>

**CHEMIESYNTH VAPI LTD**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 8 Other Financial Assets**

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Interest Recievable	-	1,07,742	1,20,900
	-	<b>1,07,742</b>	<b>1,20,900</b>

**Note 9 Other Current Assets**

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Balances with government authorities			
- Unsecured, considered good	36,62,207	26,20,119	20,64,838
b. Advance to Suppliers	1,43,886	-	-
	<b>38,06,093</b>	<b>26,20,119</b>	<b>20,64,838</b>

**Note 10 Equity Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
	<b>AUTHORISED :</b>			
Equity Shares:				
32,50,000 Equity Shares of Rs.10 each	3,25,00,000	3,25,00,000	3,25,00,000	
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
30,70,000 Equity Shares of Rs.10 each fully paid-up	3,07,00,000	3,07,00,000	3,07,00,000	
	<b>3,07,00,000</b>	<b>3,07,00,000</b>	<b>3,07,00,000</b>	
<b>Reconciliation of number of shares</b>	<b>2017-18</b>		<b>2016-17</b>	
	<b>No of Shares</b>	<b>Amount (Rs.)</b>	<b>No of Shares</b>	<b>Amount (Rs.)</b>
<b>Equity Shares of Re.10 each fully paid up</b>				
At the beginning of the period	30,70,000	3,07,00,000	30,70,000	3,07,00,000
At the end of the period	<b>30,70,000</b>	<b>3,07,00,000</b>	<b>30,70,000</b>	<b>3,07,00,000</b>

The Company has only one class of equity shares having par value of Rs. 10 each. 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 the 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.

**10.1 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:**

Name of the Share holder	No of shares held as at					
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	%	Nos.	%	Nos.	%
Satish B Zaveri	10,94,760	35.66%	10,94,760	35.66%	10,94,760	35.66%
Sandip S Zaveri	3,60,500	11.74%	3,60,500	11.74%	3,60,500	11.74%
United Phosphorous Ltd	9,21,000	30.00%	9,21,000	30.00%	9,21,000	30.00%
Bhanuraj N Mehta	2,42,500	7.90%	2,42,500	7.90%	2,42,500	7.90%

**As per our report of even date**

**For Milin J Jani & Co.**

Chartered Accountants

Firm Reg. No: 106396W

**Milin J.Jani**

Proprietor

M.No. 044077

Place : Ahmedabad

Date : May 30, 2018

**For and on behalf of the Board of Directors**

**Satish Zaveri**

Director(DIN :00158861)

**Parimal Desai**

Chief Financial officer

**Sandip Zaveri**

Managing Director(DIN:00158876)

**Shinil Nambrath**

Company Secretary

Place : Vapi

Date : May 30, 2018

**CHEMIESYNTH VAPI LTD**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 11 Other equity**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities Premium reserve	1,26,50,000	1,26,50,000	1,26,50,000
Fixed Asset Revaluation Reserve	-	-	-
Capital reserve	11,56,929	11,56,929	11,56,929
Retained Earnings	(2,03,60,001)	(2,43,05,361)	(2,24,93,078)
	<b>(65,53,072)</b>	<b>(1,04,98,432)</b>	<b>(86,86,149)</b>

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Securities Premium Account			
Opening balance	1,26,50,000	1,26,50,000	1,26,50,000
Closing balance	1,26,50,000	1,26,50,000	1,26,50,000
(b) Revaluation reserve			
Balance at beginning of year	-	-	-
Less: Utilised for set off against depreciation	-	-	-
Closing balance	-	-	-
(c) Capital reserve			
Opening balance	11,56,929	11,56,929	11,56,929
Closing balance	11,56,929	11,56,929	11,56,929
(d) Retained Earnings			
Balance at the beginning of the year	(2,43,05,361)	(2,24,93,078)	(1,80,91,957)
Profit attributable to the owners of the company	39,45,359	(18,12,283)	(54,37,864)
IND AS adjustments			10,36,743
Closing balance	(2,03,60,001)	(2,43,05,361)	(2,24,93,078)
<b>Total Other Equity</b>	<b>(65,53,072)</b>	<b>(1,04,98,432)</b>	<b>(86,86,149)</b>

As per our report of even date	For and on behalf of the Board of Directors	
<b>For Milin J Jani &amp; Co.</b>	<b>Satish Zaveri</b>	<b>Parimal Desai</b>
Chartered Accountants	Director(DIN :00158861)	Chief Financial officer
Firm Reg. No: 106396W		
<b>Milin J.Jani</b>	<b>Sandip Zaveri</b>	<b>Shinil Nambrath</b>
Proprietor	Managing Director(DIN:00158876)	Company Secretary
M.No. 044077		
Place : Ahmedabad	Place : Vapi	
Date : May 30, 2018	Date : May 30, 2018	

**CHEMIESYNTH VAPI LTD**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 12 Non-current borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured - at amortised cost			
i) Loans from Directors and their relatives	6,94,90,000	6,94,90,000	6,95,91,000
	6,94,90,000	6,94,90,000	6,95,91,000

**Note 13 Other non current liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Advances and Deposits from Customers	47,60,689	32,72,013	51,10,345
	47,60,689	32,72,013	51,10,345

**Note 14 Current Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured - at amortised cost</b>			
a. Loan repayable on demand			
- from banks			
- overdraft	1,06,22,239	1,06,76,395	1,03,69,030
	1,06,22,239	1,06,76,395	1,03,69,030
Notes:			
(i) Details of security for the secured short-term borrowings:			
Loans repayable on demand from Bank of Baroda, SSI VIE branch, Vapi is secured by first and exclusive charge on inventories including stocks of raw materials, finished goods, work in process, stores and spares, receivables and equitable mortgage on the Land and buildings of the Company.			

**Note 15 Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables (other than dues of Micro and Small enterprises)	96,64,984	1,24,11,542	75,80,615
	<b>96,64,984</b>	<b>1,24,11,542</b>	<b>75,80,615</b>

**Note 16 Other financial liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long-term debt	-	-	17,01,000
	-	-	<b>17,01,000</b>

**Note 17 Other current liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Liabilities	3,59,404	2,37,202	1,60,052
	<b>3,59,404</b>	<b>2,37,202</b>	<b>1,60,052</b>

**CHEMIESYNTH VAPI LTD**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 18 Revenue from operations**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Sales of Products and job work charges	13,13,99,629.00	3,02,49,270
(b) Other operating revenues		
- Sale of Waste Products	57,780	1,55,256
- Sale of Scrap	7,17,678	5,29,016
- Duty drawback and other export incentives	9,89,770	-
	<b>13,31,64,857</b>	<b>3,09,33,542</b>

**Note 19 Other Income**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
-- On bank deposits (at amortised cost)	25,926	1,30,285
-- On Interest on income tax refund	24,096	-
(b) Other gains or losses		
Gain / (loss) on disposal of property, plant and equipment	5,15,774	25,78,043
Net foreign exchange gains or (losses)	37,51,142	-
Insurance claim received	2,37,927	-
	<b>45,54,865</b>	<b>27,08,328</b>

**Note 20 Cost of materials consumed**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	49,99,547	20,94,724
Add: Purchases	7,51,16,516	94,12,298
	8,01,16,063	1,15,07,022
Less: Closing stock	(24,81,367)	(49,99,547)
Cost of material consumed	7,76,34,696	65,07,475

**Note 21 Changes in Inventories of finished goods, work in progress and stock in trade**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inventories at the end of the year</b>		
Finished goods	135	135
Work in progress	3,16,177	38,90,225
	3,16,312	38,90,360
<b>Inventories at the beginning of the year</b>		
Finished goods	135	135
Work in progress	38,90,225	35,13,125
	38,90,360	35,13,260
<b>(Increase)/Decrease in Stocks</b>	<b>35,74,048</b>	<b>(3,77,100)</b>

**Note 22 Employee Benefit expense**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries, Wages and Bonus	61,52,095	62,29,162
(b) Contribution to Provident and Other Funds	6,16,925	9,48,405
(c) Staff Welfare Expenses	5,21,896	1,92,518
(d) Gratuity	2,78,131	-
	<b>75,69,047</b>	<b>73,70,085</b>

**Note 23 Finance Cost**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Interest costs:		
Interest on bank overdrafts (other than those from related parties)	15,91,497	17,56,805
	<b>15,91,497</b>	<b>17,56,805</b>

**24 Other Expenses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Power and Fuel	1,00,13,665	58,35,373
(b) Consumption of packing materials	1,31,084	75,260
(c) Travelling and Conveyance	2,52,070	1,06,296
(d) Job Work Charges	1,36,300	2,10,900
(e) Repairs and Maintenance		
- Buildings	25,282	3,16,965
- Plant and Machinery	15,11,256	10,49,855
- Others	38,570	1,01,784
(f) Insurance	2,79,470	2,57,985
(g) Rates and Taxes, excluding taxes on income	3,50,088	12,72,420
(h) Freight and forwarding	10,22,286	1,34,000
(i) Water Charges	8,42,586	5,08,049
(j) Auditors' Remuneration (Refer Note below)	40,000	40,000
(k) Communication	1,80,471	1,51,543
(l) Service Charges	1,37,837	69,705
(m) Contract Labour Charges	83,68,718	21,60,602
(n) Legal and Professional Fees	5,34,493	5,04,053
(o) Bank Charges	2,60,468	1,63,320
(p) Effluent treatment and disposal charges	31,76,865	5,97,876
(q) Printing and Stationery	1,68,915	1,31,753
(r) Consumption of stores and spares	50,35,132	17,83,077
(s) Donation	2,000	-
(t) Miscellaneous Expenses	56,86,354	29,13,988
	<b>3,81,93,910</b>	<b>1,83,84,804</b>

**CHEMIESYNTH VAPI LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**Note 25 Earnings per Share**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Basic Earnings per share		
From continuing operations	1.29	(0.59)
<b>Total basic earnings per share</b>	<b>1.29</b>	<b>(0.59)</b>
Diluted Earnings per share		
From continuing operations	1.29	(0.59)
<b>Total diluted earnings per share</b>	<b>1.29</b>	<b>(0.59)</b>

**Note 26 Related party transactions**

**Names of related parties, description of relationship and details of transactions**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A) CS Speciality Chemicals Pvt Ltd (Enterprise in which the key management personnel exercise control)		
Sales of goods/Job work charges	1,92,16,738	1,77,94,850
Sale of assets	28,70,395	55,78,220
Service Charges	19,78,600	16,43,850
Purchase of Goods	7,65,40,314	NIL
Outstanding balance as at the year end receivable (Net)	13,54,839	6,23,044
B) CS Performance Chemicals Pvt Ltd (Enterprise in which the key management personnel exercise control)		
Sale of Assets	22,500	1,23,900
Purchase of goods	NIL	26,229
Outstanding Balance as at the year end	NIL	NIL
C) Key Management Personnel and their relatives		
Mr.Satish B Zaveri (Director)		
Loan received	43,00,000	-
Repayment of Loan	1,06,00,000	-
Outstanding Balance at the year end	4,13,90,000	4,76,90,000
Mr.Sandeep S. Zaveri (Managing Director)		
Loan received	64,00,000	-
Repayment of Loan	1,00,000	-
Outstanding Balance at the year end	2,31,00,000	1,68,00,000
Mr Bhanuraj N Mehta		
Interest on Loan	2,50,000	2,50,000
Outstanding Balance at the year end	25,00,000	25,00,000
Mrs.Kamal S Zaveri (Relative of Director)		
Outstanding Balance at the year end	25,00,000	25,00,000

**CHEMIESYNTH VAPI LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**Note 27 Contingent Liabilities**

Particulars
Guarantees excluding financial guarantees

Year Ended March 31, 2018	Year Ended March 31, 2017
20,60,891	10,000

**Note 28 Additional Information**

Particulars
<b>a) CIF Value of imports :</b>
i) Raw materials
ii) Capital goods

Year Ended March 31, 2018	Year Ended March 31, 2017
4,27,058	7,15,123
15,06,270	-
19,33,328	7,15,123

**b) Expenditure in foreign currency**

i) Registration Fees

7,91,111	-
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**c) Value of imported and indigenous raw materials consumed and percentage of each to the total consumption:**

i) Raw Materials  
a) Imported  
b) Indigenous

Year Ended March 31, 2018		Year Ended March 31, 2017	
Value	Percentage	Value	Percentage
2,62,038	0.34%	10,05,788	15.46%
7,73,72,658	99.66%	55,01,687	84.54%
7,76,34,696	100%	65,07,475	100%

**d) Earnings in foreign currency**

**d) FOB Value of exports**

Year Ended March 31, 2018	Year Ended March 31, 2017
8,01,38,714	-

**Note 29 Approval of financial statements**

The financial statements were approved for issued by the Board of Directors on May 30, 2018.



**CHEMIESYNTH VAPI LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**Note 30 First-time adoption - mandatory exception, optional exemptions**

**3.1 Overall Principle**

These financial statements, for the year ended March 31, 2018, are the first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

**Optional exemptions availed and mandatory exceptions:**

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

**A. Optional Exemptions availed.**

**1. Property, plant and equipment, Intangible assets.**

As per IND AS 101, an entity may elect to:

- i) Measure an item of property, plant and equipment at the date of transition at its fair value and may use that fair value as its deemed cost at that date.
- ii) Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation value was, at the date of revaluation, broadly comparable to:
  - Fair value,
  - Or cost or depreciated cost under IND AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under i) or ii) above are also available for intangible assets that meets recognition criteria in IND AS 38, Intangible Assets, (including reliable measurements of original cost) and criteria in IND AS 38 for revaluation (including the existence of an active market).

- iii) Use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to IND AS (which are measured in accordance with previous GAAP) if there has been change in its functional currency as on the date of transition.

~~As permitted by IND AS 101, the company has elected to continue with the carrying values under previous GAAP for all the items of property~~

**B. Mandatory Exceptions**

**1. Classification and measurement of financial assets :**

IND AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable. Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from the previous GAAP to IND AS in accordance with IND AS 101 and the notes explaining the significant differences there to:

- a. Balance Sheet reconciliation as at 1st April 2016 and 31st March 2017
- b. Reconciliation of Total Comprehensive income for the year ended 31st March 2017.
- c. Explanatory notes to the Balance Sheet and Total Comprehensive income reconciliation
- d. Explanation of material adjustment to the Statement of Cash Flows.

**First time adoption of IND AS**  
**Reconciliaiton of Balance Sheet as at March 31, 2017**

	Footnote Ref	Amount as Per IGAAP	Effect of transition in IND AS	Amount as per IND AS
<b>A. ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, plant and equipment		9,70,74,107	-	9,70,74,107
(b) Intangible Assets	1	4,50,000	(4,50,000)	-
(c) Financial Assets				-
(i) Investments				-
a) Other Investments		35,000	-	35,000
(d) Other Non Current Assets		34,88,161	-	34,88,161
<b>Total non-current assets</b>		<b>10,10,47,268</b>	<b>(4,50,000)</b>	<b>10,05,97,268</b>
<b>Current Assets</b>				
(a) Inventories		97,35,282	-	97,35,282
(b) Financial Assets				
(i) Trade Receivables		20,66,944	-	20,66,944
(ii) Cash and Cash Equivalents		11,61,365	-	11,61,365
(iii) Other Financial assets		1,07,742	-	1,07,742
(c) Other Current Assets		26,20,119	-	26,20,119
<b>Total current assets</b>		<b>1,56,91,452</b>	<b>-</b>	<b>1,56,91,452</b>
<b>TOTAL ASSETS</b>		<b>11,67,38,720</b>	<b>(4,50,000)</b>	<b>11,62,88,720</b>
<b>B. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital		3,07,00,000	-	3,07,00,000
(b) Other Equity				
Securities Premium account		1,26,50,000	-	1,26,50,000
Revaluation reserve	2	14,52,363	(14,52,363)	-
Capital reserve		11,56,929	-	11,56,929
Retained Earnings	! & 2	(2,53,07,724)	10,02,363	(2,43,05,361)
<b>Total equity</b>		<b>2,06,51,568</b>	<b>(4,50,000)</b>	<b>2,02,01,568</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings		6,94,90,000	-	6,94,90,000
(b) Other non-current liabilities		32,72,013	-	32,72,013
<b>Total non-current liabilities</b>		<b>7,27,62,013</b>	<b>-</b>	<b>7,27,62,013</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings		1,06,76,395	-	1,06,76,395
ii. Trade Payables		1,24,11,543	-	1,24,11,543
(b) Other Current Liabilities		2,37,202	-	2,37,202
<b>Total current liabilities</b>		<b>2,33,25,140</b>	<b>-</b>	<b>2,33,25,140</b>
<b>Total Liabilities</b>		<b>9,60,87,153</b>	<b>-</b>	<b>9,60,87,153</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,67,38,720</b>	<b>(4,50,000)</b>	<b>11,62,88,720</b>

**First time adoption of IND AS**  
**Reconciliaiton of Balance Sheet as at April 1, 2016**

	Footnote Ref	Amount as Per IGAAP	Effect of transition in IND AS	Amount as per IND AS
<b>A. ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, plant and equipment		9,93,75,374	-	9,93,75,374
(b) Intangible Assets - Goodwill	1	4,50,000	(4,50,000)	-
(c) Financial Assets				
(i) Investments				
a) Other Investments		35,000	-	35,000
(d) Other Non Current Assets		31,87,197	-	31,87,197
<b>Total non-current assets</b>		<b>10,30,47,571</b>	<b>(4,50,000)</b>	<b>10,25,97,571</b>
<b>Current Assets</b>				
(a) Inventories		64,88,976	-	64,88,976
(b) Financial Assets				
(i) Trade Receivables		44,33,998	-	44,33,998
(ii) Cash and Cash Equivalents		8,19,609	-	8,19,609
(iii) Other Financial assets		1,20,900	-	1,20,900
(c) Other Current Assets		20,64,838	-	20,64,838
<b>Total current assets</b>		<b>1,39,28,321</b>	<b>-</b>	<b>1,39,28,321</b>
<b>TOTAL ASSETS</b>		<b>11,69,75,893</b>	<b>(4,50,000)</b>	<b>11,65,25,893</b>
<b>B. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital		3,07,00,000	-	3,07,00,000
(b) Other Equity				
Securities Premium account		1,26,50,000	-	1,26,50,000
Revaluation reserve	2	14,86,743	(14,86,743)	-
Capital reserve		11,56,929	-	11,56,929
Retained Earnings	1 & 2	(2,35,29,821)	10,36,743	(2,24,93,078)
<b>Total equity</b>		<b>2,24,63,851</b>	<b>(4,50,000)</b>	<b>2,20,13,851</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings		6,95,91,000	-	6,95,91,000
(b) Other non-current liabilities		51,10,345	-	51,10,345
<b>Total non-current liabilities</b>		<b>7,47,01,345</b>	<b>-</b>	<b>7,47,01,345</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings		1,03,69,030	-	1,03,69,030
ii. Trade Payables		75,80,615	-	75,80,615
iii. Other financial Liabilities		17,01,000	-	17,01,000
(b) Other Current Liabilities		1,60,052	-	1,60,052
<b>Total current liabilities</b>		<b>1,98,10,697</b>	<b>-</b>	<b>1,98,10,697</b>
<b>Total Liabilities</b>		<b>9,45,12,042</b>	<b>-</b>	<b>9,45,12,042</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,69,75,893</b>	<b>(4,50,000)</b>	<b>11,65,25,893</b>

**First time adoption of IND AS  
Reconciliation of Statement of Profit and Loss for the year ended March 31 2017**

	Footnote Ref	Amount as Per IGAAP	Effect of transition in IND AS	Amount as per IND AS
Revenues from Operations (Gross)		3,09,33,542	-	3,09,33,542
Other Income		27,08,328	-	27,08,328
<b>Total Income (I+II)</b>		<b>3,36,41,870</b>	<b>-</b>	<b>3,36,41,870</b>
<b>Expenses:</b>				
Cost of materials consumed		65,07,475	-	65,07,475
Changes in Inventories of finished goods, work-in-progress and stock in trade		(3,77,100)	-	(3,77,100)
Employee benefits expense		73,70,085	-	73,70,085
Finance costs		17,56,805	-	17,56,805
Depreciation and amortisation expense		17,77,704	34,380	18,12,084
Impairment loss on financial assets		-	-	-
Other expenses		1,83,84,804	-	1,83,84,804
<b>Total Expenses (IV)</b>		<b>3,54,19,773</b>	<b>34,380</b>	<b>3,54,54,153</b>
<b>Profit before tax (III-IV)</b>		<b>(17,77,903)</b>	<b>(34,380)</b>	<b>(18,12,283)</b>
<b>Tax Expense:</b>				
(1) Current Tax		-	-	-
(2) Deferred Tax		-	-	-
<b>Profit for the year from continuing operations(V-VI)</b>		<b>(17,77,903)</b>	<b>(34,380)</b>	<b>(18,12,283)</b>
<b>Profit for the year</b>		<b>(17,77,903)</b>	<b>(34,380)</b>	<b>(18,12,283)</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income net of tax</b>		<b>(17,77,903)</b>	<b>(34,380)</b>	<b>(18,12,283)</b>

## Notes to the Reconciliation :

### 1. Goodwill :

Under IND AS, Goodwill is not required to be amortised but needs to be tested for impairment at least annually. The Company has assessed and concluded that impairment is deemed necessary on Goodwill recognised as at date of transition to IND AS and as at April 1, 2016

The impairment of Goodwill as on the transition date has resulted in decrease in retained earnings by Rs.

### 2. Revaluation reserve :

Revaluation reserve was created by the company on revaluation of certain property plant and equipment as per Indian GAAP. The balance in revaluation reserve is transferred to retained earnings as on the transition date. Depreciation charged on revalued amount of assets is charged to statement of profit and loss during the financial years 2016-17 and 2017-18.

Transfer of revaluation reserve has resulted in increase in retained earnings by Rs. 1,486,743 as on the transition date and charge of depreciation on revalued amount to the statement of profit and loss has resulted in decrease in retained earnings by Rs. 34,380 for the financial year 2016-17.

### 3. Borrowings :

Bank Overdraft : The Company has availed Overdraft facilities from bank against mortgage of 'Property, Plant & Equipment' and accordingly disclosed it as short term borrowing.

### 4. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flow

### 5. Reconciliation of Retained Earnings

	Notes	As at 31st March, 2017	As at 1st April, 2016
Retained Earnings under Previous GAAP		<b>(2,53,07,724)</b>	<b>(2,35,29,821)</b>
Impairment of Goodwill	1	(4,50,000)	(4,50,000)
Transfer of Revaluation Reserve	2	14,86,743	14,86,743
Depreciation on revalued amounts	2	(34,380)	-
Total IND AS adjustments		10,02,363	10,36,743
Retained Earnings under IND AS		<b>(2,43,05,361)</b>	<b>(2,24,93,078)</b>

## **INDEPENDENT AUDITOR'S REPORT TO THE Members of CHEMIESYNTH (VAPI) LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of CHEMIESYNTH (VAPI) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### **Opinion**

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, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Milin J Jani & Co

Chartered Accountants

(Firm's Registration No. 106396W)

Milin J Jani

Proprietorship

(Membership No. 044077)

Ahmedabad, May 30, 2018

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Chemiesynth (Vapi) Limited of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of CHEMIESYNTH (VAPI) LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing 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.

### **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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Milin J Jani & Co

Chartered Accountants

(Firm's Registration No. 106396W)

Milin J Jani

Partner

(Membership No. 044077)

Ahmedabad, May 30, 2018

### **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Chemiesynth (Vapi) Limited of even date)**

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, in respect of immovable properties of land and building that have been taken on long lease and disclosed as fixed assets in the standalone financial statements, the lease deed is in the name of the Company.



ii. In respect of its inventories:

- (a) As explained to us, the inventories, other than materials in transit and materials lying with third parties, were physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, requirement of clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities, as applicable.

v. In our opinion and according to information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. As explained to us, the Central Government has not prescribed the maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act, 2013 for the Company's products.

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

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

There were no undisputed statutory dues in arrears as at **March 31, 2018**, for a period of more than six months from the date they became payable.

viii. Based on our audit procedures and according to the information and explanations given by the management we are of the opinion that the Company has not defaulted in the repayment of loans or borrowings to banks as at the balance sheet date. The Company has not obtained any loans or borrowings from financial institutions, debenture holders and Government.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

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

xi. The Company has not paid any managerial remuneration as laid down by the provisions of section 197 read with Schedule V to the Companies Act, 2013

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Milin J Jani & Co

Chartered Accountants

(Firm's Registration No. 106396W)

Milin J Jani

Partner

(Membership No. 044077)

Ahmedabad, May 30, 2018

### **Secretarial Audit Report**

Form No. MR-3

For the financial year ended on 31st March, 2018.

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

To,

The Members,

**CHEMIESYNTH (VAPI) LIMITED**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chemiesynth (Vapi) 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 my verification of the Chemiesynth (Vapi) Limited, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company, for the year ended on 31<sup>st</sup> March, 2018 according to the applicable provisions, if any, of:

- I. The Companies Act, 1956 and the Companies Act, 2013 (**the Act**) and the Rules made there under, as applicable.
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.
- V. The following following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company:
  - 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, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);

- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **(Not applicable for the period under audit.)**
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned bellows:
- i) The Environment Protection Act, 1986; and
  - ii) Air (Prevention and Control of Pollution) Act 1981 and Rules issued by State Pollution Control Board; and
  - iii) Customs Act, 1962
  - iv) Central Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989.

**I have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 2015);

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Agreement/Obligations mentioned above.

*1. The appointment of Internal Auditor as required under section 138 of Companies Act, 2013 has not been made by the Company.*

*2. As per Regulation 31 of LODR, 100% Promoters Holding is not in Demat Form.*

**I 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 sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meeting were taken unanimously.

**I 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.

**I further report that** during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**Date: 24<sup>th</sup> August, 2018.**  
**Place: Mumbai**

**Company Secretaries**

**Samata Saraf**  
**(Proprietor)**  
**C.P. 6000**  
**ACS : 17620**

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

## **Annexure A**

To,  
The Members,  
CHEMIESYNTH (VAPI) LIMITED  
Mumbai

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

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.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.

The Compliance of the provisions of Corporate and the other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Date: 24<sup>th</sup> August, 2018.**  
**Place: Mumbai**

**Company Secretaries**

**Samata Saraf**  
**(Proprietor)**  
**C.P. 6000**  
**ACS : 17620**

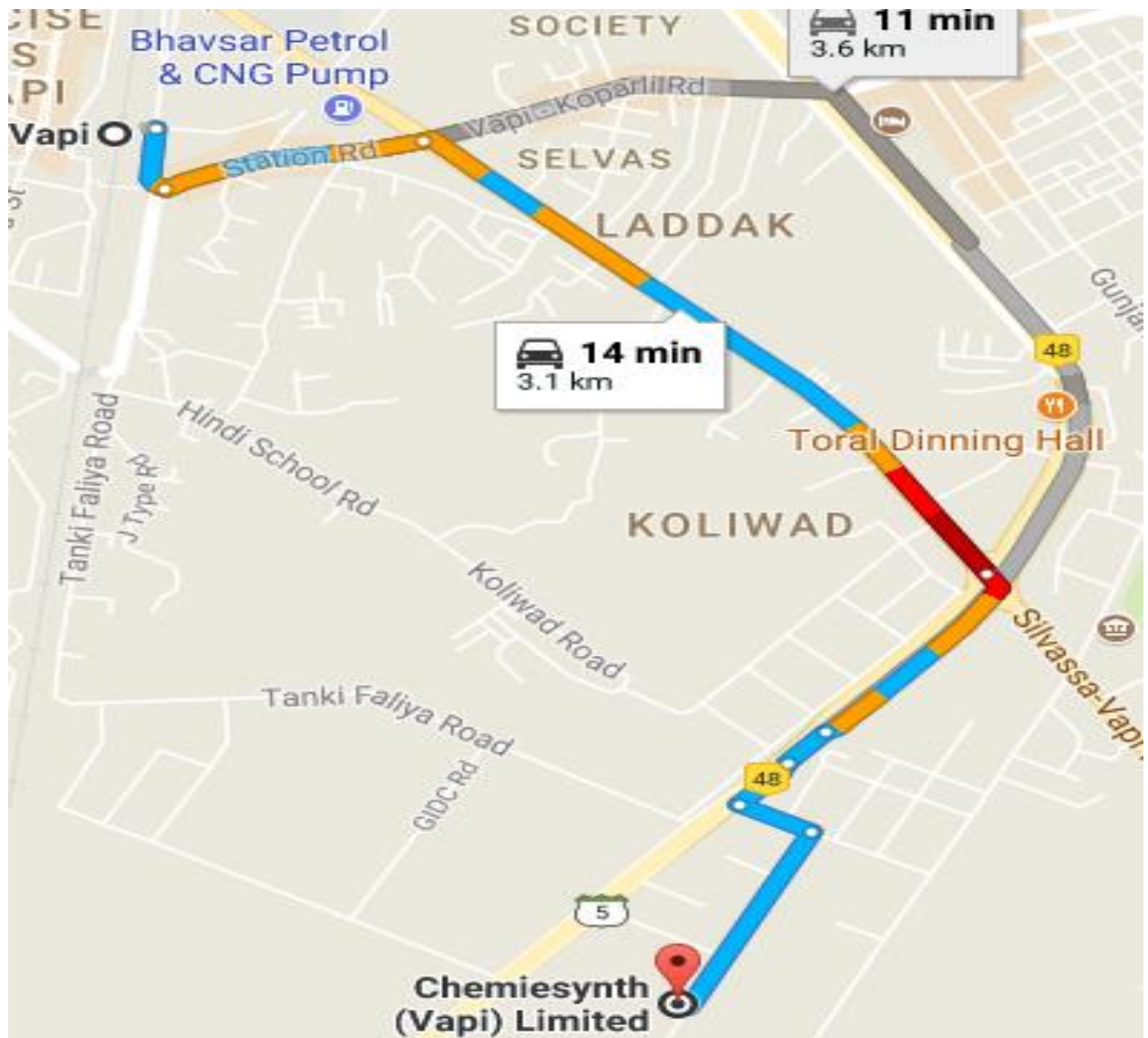
## Route Map of Venue of AGM Meeting

**Add:** Chemiesynth (Vapi) Limited

Plot no. 27, 1st Phase, GIDC, Vapi, Gujarat 396 195.

**Nearest Railway station:** Vapi

Landmark: Opposite to Unimark Remedies Limited





**CHEMIESYNTH (VAPI) LIMITED**

**Reg. Off.:** Plot No 27, GIDC Vapi, Dist. Valsad, Gujarat, India.  
 Phone No. +91 260 2432885 Fax No. +91 260 2432036  
**Web:** [www.chemiesynth.com](http://www.chemiesynth.com) **Email:** [corporate@chemiesynth.com](mailto:corporate@chemiesynth.com)  
**CIN:** L24110GJ1986PLC008634

**ASSENT / DISSENT FORM FOR VOTING ON 32ND AGM RESOLUTIONS**

**1. Name(s) & Registered Address of the sole / first named Member:**

**2. Name(s) of the Joint-Holder(s), if any:**

**3. i) Registered Folio No.:** .....

**ii) DP ID No. & Client ID No. :** .....  
 (Applicable for Members holding shares in dematerialized form)

**4. Number of Shares held:**

**I/We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the 32nd Annual General Meeting dated September 28, 2018, by conveying my / our assent / dissent to the resolutions by placing (√) mark in the appropriate box below:**

Sr. No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	No. of Shares	I/We dissent to the Resolution (Against)
<b>ORDINARY BUSINESS:</b>					
1.	To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon.				
2.	To appoint a director in place of Mr. Bhanurai N Mehta (DIN: 00158885), liable to retire by rotation in term of section 152(6) of the Companies Act, 2013 and being eligible, seeks reappointment				
<b>SPECIAL BUSINESS</b>					
3.	To appoint Ms. Zarna Nilesh Shah (DIN: 08182313) as an Independent Woman Director of the Company for the term of five years.				
4.	To appoint Mr. Pramod Gopaldas Gujarathi (DIN: 00418958) as an Independent Director of the Company for the term of five years.				
5.	To appoint Mr. Rushabh Suresh Mehta (DIN: 00784327) as an Non Executive Director of the Company for the term of five years.				

**Date:**  
**Place:**

**Signature of Shareholder  
 /Authorised Representative**

**Note:** Please read the instructions carefully before completing this Assent / Dissent Form.

## **Instructions for Assent / Dissent Form :**

### **General Instructions:**

- 1.** This Ballot Form (i.e. Assent/Dissent Form) is provided for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
- 2.** A Member can opt for only one mode of voting i.e either by post or through e-voting. If a Member casts votes by both modes, then voting done through a valid physical ballot form shall prevail and e-voting of that Member shall be treated as invalid.
- 3.** For detailed instructions on e-voting, please refer to the notes appended to the 32nd Annual General Meeting Notice.
- 4.** The Scrutiniser will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

### **Process and Manner for Members opting to vote by using the Physical Ballot Form:**

- 1.** Please complete and sign the Ballot Form (Cut the form from this annual report) and send it so as to reach the Scrutiniser appointed by the Board of Directors of the Company, Ms. Samata Saraf, Proprietor of Samata Saraf, Company Secretaries, A, 302, Anmol Towers, S.V. Road, Goregaon (West), Mumbai - 62, not later than the close of the working hours (5.00 pm) on 25<sup>th</sup> September, 2018. Ballot Forms received after 25<sup>th</sup> September, 2018 will be strictly treated as if the reply from the members has not been received.
- 2.** The form should be signed by the Member as per the specimen signature registered with the Company / Depository Participants. In case of joint holding, the form should be completed and signed by the first named member and in his / her absence, by the next named joint holder. There will be one Form for every Folio / Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
- 3.** For shares held by Companies, Bodies Corporate, Trusts, Societies, etc the duly completed Form should be accompanied by a certified true copy of the board Resolution / authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
- 4.** Votes should be cast in case of each resolution, either in favour or against by putting the tick (√) mark in the column provided for assent / dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the shareholders does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
- 5.** The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 21st September, 2018 ("Cut off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial owners.
- 6.** A Member may request for a duplicate Ballot form, if so required. However the duly filled in and signed duplicate form should reach the Scrutiniser not later than the date specified at Sr. No.1 above.
- 7.** Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutiniser to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified. The Scrutiniser's decision on the validity of a Ballot will be final.
- 8.** Members are requested not to send any other paper along with the Ballot Form in the envelope containing the ballot form as all such envelopes will be sent to the Scrutiniser and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the ballot form except giving their assent or dissent and putting their signature.
- 9.** Members may address any query to Mr. Shinil Unnikrishnan Nambrath, Company Secretary, at the Registered office of the Company, Tel. No. 0260-2401327 or by email at [compliance@chemiesynth.com](mailto:compliance@chemiesynth.com)

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**CHEMIESYNTH (VAPI) LIMITED**  
**Reg. Off.:** Plot No 27, GIDC Vapi, Dist. Valsad, Gujarat, India.  
 Phone No. +91 260 2432885 Fax No. +91 260 2432036  
**Web:** [www.chemiesynth.com](http://www.chemiesynth.com) **Email:** [corporate@chemiesynth.com](mailto:corporate@chemiesynth.com)  
**CIN:** L24110GJ1986PLC008634

**(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014).**

**Proxy Form for 32nd Annual General Meeting dated 28/09/2018**

I/We..... being a Member/Members of the above named Company holding ..... Shares Folio No/Client ID: ..... DP ID:....., hereby appoint

<b>1.Mr.</b> <b>/Ms.....</b> <b>Address:.....</b> ... <b>Mail ID:.....</b> <b>Signature: .....</b>	<b>Failing person at No.1.</b> <b>2.Mr.</b> <b>/Ms.....</b> <b>Address:.....</b> .... <b>Mail ID:.....</b> <b>Signature: .....</b>	<b>Failing person at No.2.</b> <b>3.Mr.</b> <b>/Ms.....</b> <b>Address:.....</b> ... <b>Mail ID:.....</b> <b>Signature: .....</b>
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as my/our Proxy to attend and vote for me/us on my/our behalf at the **32nd Annual General Meeting** of the Company, to be held on 28<sup>th</sup> day of September, 2018 at 11:30 A.M. and at any adjournment thereof.

\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution	For	Against
<b>ORDINARY BUSINESS:</b>			
1	To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon.		
2	To appoint a director in place of Mr. Bhanuraj N Mehta (DIN: 00158885), liable to retire by rotation in term of section 152(6) of the Companies Act, 2013 and being eligible, seeks reappointment		
<b>SPECIAL BUSINESS</b>			
3	To appoint Ms. Zarna Nilesh Shah (DIN: 08182313) as an Independent Woman Director of the Company for the term of five years.		
4	To appoint Mr. Pramod Gopaldas Gujarathi (DIN: 00418958) as an Independent Director of the Company for the term of five years.		
5	To appoint Mr. Rushabh Suresh Mehta (DIN: 00784327) as an Non Executive Director of the Company for the term of five years.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signature

Affix  
Revenue  
Stamp not less  
than Re.1/-

Name: .....  
 Address: .....  
 .....  
 .....  
 .....  
 Folio No./ DPID. ....  
 Client ID No. ....  
 No. of Shares. ....

**Notes: 1.** The Proxy, to be effective, should be deposited at the Registered Office of the Company at Plot No. 27, GIDC, Vapi 396 195. not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting. **2.** A Proxy need not be a Member of the Company. **(\*3.)** This is only optional. Please put a 'X' in the appropriate box against the resolutions. If you leave the 'FOR' or 'AGAINST' box blank against the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. Should you so desire, you may also appoint the Chairman of the Company as your Proxy, who shall carry out your mandate as indicated above. **4.** Attendance for the Annual General Meeting can be recorded using the attendance slip of Annual General Meeting.



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**ATTENDANCE SLIP**

**CHEMIESYNTH (VAPI) LTD**

Regd. Office : Plot No. 27, GIDC Vapi, Dist : Valsad, Gujarat, India.

CIN : L24110GJ1986PLC008634

Tel : 0260-2432885

Email : [corporate@chemiesynth.com](mailto:corporate@chemiesynth.com) Website : [www.chemiesynth.com](http://www.chemiesynth.com)

**Attendance Slip**

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company at Plot No. 27, GIDC Vapi, Dist : Valsad, Gujarat, India on Friday, 28th September 2018 at 11:30 AM.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Notes : 1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

2. Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

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**CHEMIESYNTH (VAPI) LIMITED**

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**CIN:** L24110GJ1986PLC008634

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records. We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us :

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following to the company at its registered office :

Folio No. :  
Pan No. :  
E-mail ID :  
Telephone No. :  
Name and Signatures : i.  
ii.  
iii.

Thanking you,

**For Chemiesynth (Vapi) Limited**

**Sandip Satish Zaveri**  
**Managing Director**  
**DIN: 00158876**