



CHEMCON
Speciality Chemicals Limited



CIN : L24231GJ1988PLC011652

3rd September 2021

To,
BSE Limited
Listing Compliance & Legal Regulatory
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 023
Stock Code: 543233

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

Dear Sir/Madam,

Subject: Annual Report for the Financial Year 2020-21

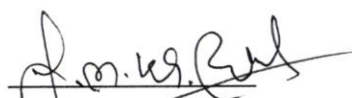
Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the Financial Year 2020-21 along with the Notice of 32nd Annual General Meeting of the Company which is being circulated to the members only through electronic mode.

The Annual Report 2020-21 along with the Notice of 32nd AGM will also be made available on the website of the Company at www.cscpl.com.

You are requested to take the above information on record.

Thanking you,
Yours faithfully

For Chemcon Speciality Chemicals Limited


Shahilkumar Kapatel

Company Secretary & Compliance Officer
Membership No. A52211



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

Website: www.cscpl.com



**TOWARDS A STRONGER
AND BETTER FUTURE**

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Investor Information

Market Capitalisation

as on March 31, 2021 : ₹ 1,49,288 lacs

CIN : U24231GJ1988PLC011652

BSE Code : 543233

NSE Code : CHEMCON

AGM Day and Date : Tuesday, September 28, 2021

AGM Time : 11:00 a.m. (IST)

AGM Mode : Through Video Conference/Other Audio Visual Means ('VC'/ 'OAVM')

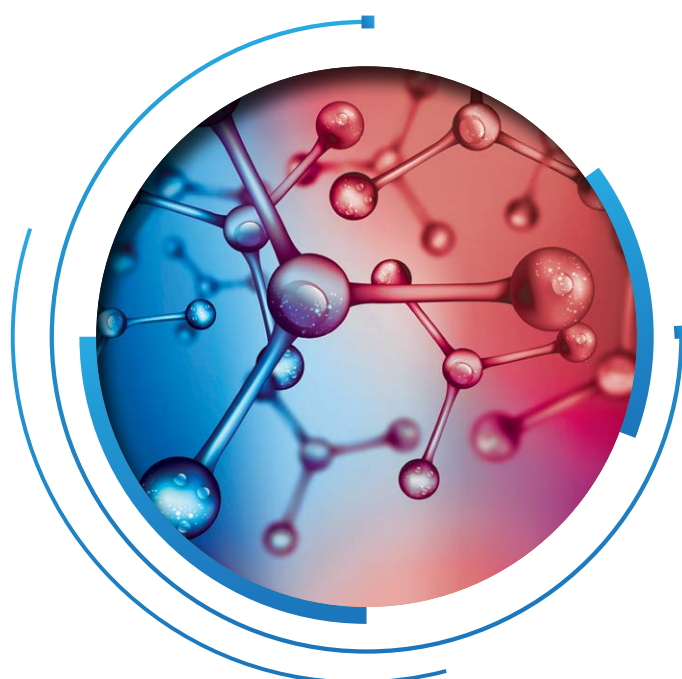
Cautionary Statement Regarding Forward-Looking Statement

This document contains statements about expected future events and financials of Chemcon Speciality Chemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

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



Scan this QR code to navigate investor related information



Towards a Stronger and Better Future

Without exception, we all led disrupted lives in 2020-21. Our plans – small and big – somewhat missed the timelines owing to the unsettling nature of the Covid-19 pandemic.

But what came out of the year so demanding was our natural crisis-handling skills, resilient nature to browbeat sudden trials and the ability to identify long-term prospects.

We are now persistently focusing on growing our product portfolio, expanding our reach, and reinventing our business model to support our strengths in our stride Towards a Stronger and Better Future.

About Us

Chemcon Speciality Chemicals Limited ('Chemcon' or 'the Company' or 'we' from hereon) is a leading manufacturer of specialised chemicals.

Incorporated in 1988, Chemcon's products are used in the pharmaceuticals and oilfield industries. With an experience of more than three decades, the Company is one of the reliable partners for completion brines and the largest manufacturer of calcium bromide in India.

Chemcon's expertise extends in the manufacturing of Hexamethyldisilazane (HMDS) enabling it to become the only player in India, and Chloromethyl Isopropyl Carbonate (CMIC), which makes it the largest player in India.

KPIs

7

Individual Operational plants

15+

Countries Covered Globally

**ISO 9001:2015 and
ISO 14001:2015**

Certified Company

₹ 35,369 Lacs

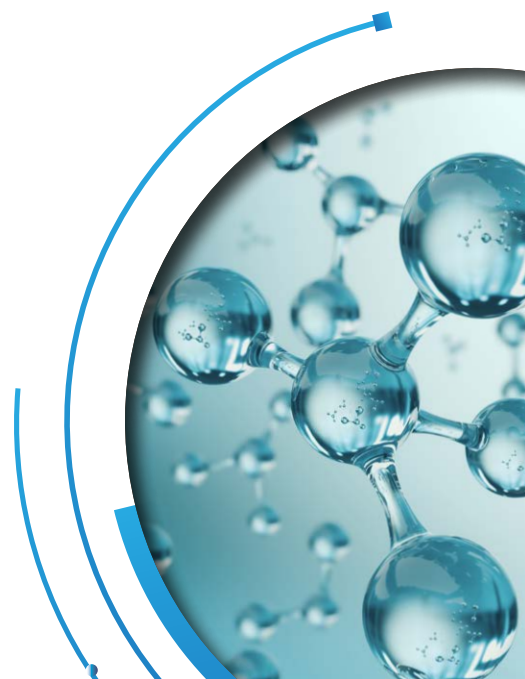
Net Worth as at March 31, 2021

Three Decades

Gaining of Trust for the Last

~29%

Revenue from Exports (including Deemed Exports) in FY 2020-21



Chairman's Address to Stakeholders



We have seen tremendous growth and acquired strategic and valuable assets to enrich our portfolio, further turning them around with the help of our competent and dedicated people, who have always supported the management in achieving the vision of a world-class chemical company



Dear Stakeholders,

I hope you are better and have vaccinated yourselves against the ongoing Covid-19 pandemic.

It gives me profound satisfaction to present to you the first Annual Report of Chemcon post the successful initial public issue and listing (IPO). This is surely a milestone in our corporate strategy, and I place on record my gratitude to all the shareholders for their overwhelming response to our IPO and for reiterating their faith in our long-term growth story. Regardless of the fact that we are a well-established player in the specialised chemical space, we believe this move will provide us the right platform to take our brand to greater heights.

Despite our three decades' rich experience, we still feel we are commencing our journey towards a Stronger and Better Future. This journey looks even more brighter and promising.

With Covid-19 dominating 2020-21 and testing the resilience of our business model, we feel we have come out winning, grossing greater confidence and humility. Though as an event of global scale, the

pandemic forced us to pause, review emerging trends and prepare ourselves to build a future-ready organisation. I feel today we are more matured and at a stage where we are ready to experiment and witness the outcomes.

As a responsible corporate, we adhered to the Government guidelines to contain the spread of the virus. We have seen many ups and downs, but our nimble footedness helped us steer clear of sudden crisis.

We exited the year with:

₹ **243.48** Crores [-7%]
 Revenue

₹ **81.12** Crores [+15%]
 EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation)

₹ **56.39** Crores [+15%]
 PAT (Profit After Tax)

Initially, we were into different chemicals and small volume chemicals. During early 2000, we entered into the business of HMDS, which was again started with a small volume, but we gradually added a few other products such as CMIC (Chloromethyl Isopropyl Carbonate) and various bromides over a period of time. Today, we are a leading manufacturer for products such as HMDS, CMIC and inorganic bromides.

Exploring New Applications

We aim to expand the sale of our products to other industries where they have application. For HMDS, we aim to market our products for end-use applications in other industries, including rubber and semi-conductor manufacturing. For this, we have commissioned a plant to produce high purity HMDS, which finds usage in the semi-conductor industry.

Capacity Expansion

We intend to build two additional plants with a total volumetric reactor capacity of 251.00 KL. These additional plants shall be utilised for the manufacturing of chemicals, which are principally used in pharmaceutical industry. With the expansion, the capacity at the manufacturing facility shall increase from 374.85 KL to 625.85 KL, and shall enable us to significantly benefit from economies of scale.

People Power

Over the years, we have built technical expertise to handle our diverse chemistries. Some of the raw materials that we use such as bromine, Methyl Chloroformate, Trimethyl Chlorosilane are highly toxic and equally corrosive. Therefore, handling these chemicals require high degree of technical skills, experience and expertise. Our combination of skilled manpower and technology has the capability to efficiently manufacture these chemicals. Our dedicated manpower, which understands the importance of technology, is determined to develop innovative solutions. We have the technology that meets the global standards. Going ahead, we shall continue to explore newer avenues of growth. Our continued business with some major MNCs is a testimony to our proficiencies.

Industry Megatrends

India is net importer of HMDS and CMIC with about 40% and 62% of India's current domestic demand being catered by imports for HMDS and CMIC respectively. We are the only manufacturer of HMDS in India and the

largest manufacturer of CMIC in the country in terms of production in calendar year 2019. We aim to capitalise on the potential growth in the demand of CMIC and HMDS in India and substitute imports.

While the pandemic did disrupt businesses across layers, it also brought in several industrial opportunities. The Indian Chemical Industry is poised for an exponential growth over the next few years owing to favourable factors such as:

- Increasing preference of global players towards considering India as an alternate source of supplies
- Stringent measures and environment norms have eliminated small companies in China, which is further diverting the demand to India
- Government's endeavours towards reducing India's dependency on chemical imports and launch of ambitious initiatives such as Atmanirbhar Bharat (self-reliant India) will further encourage domestic players

Closing Thoughts

In the past few decades and particularly in the last year, we have proven that our fundamentals are intact to support the strong growth prospects. Over the years, we have built a highly resilient and diverse business with a strong foundation. The broadness of our portfolio allows us to serve a wide range of markets and application areas. As a leading player, we have also developed the agility needed to compete in today's demanding markets as well as the ability to respond swiftly and effectively to fluctuations in demand.

Today, when I look back on the path we travelled, it gives me a sense of pride and confidence in our strong and diverse team, which is capable of handling any challenges. It is this pride of working with such an illustrious team that drives us every day as we work to honour our stakeholders' faith and investment in us.

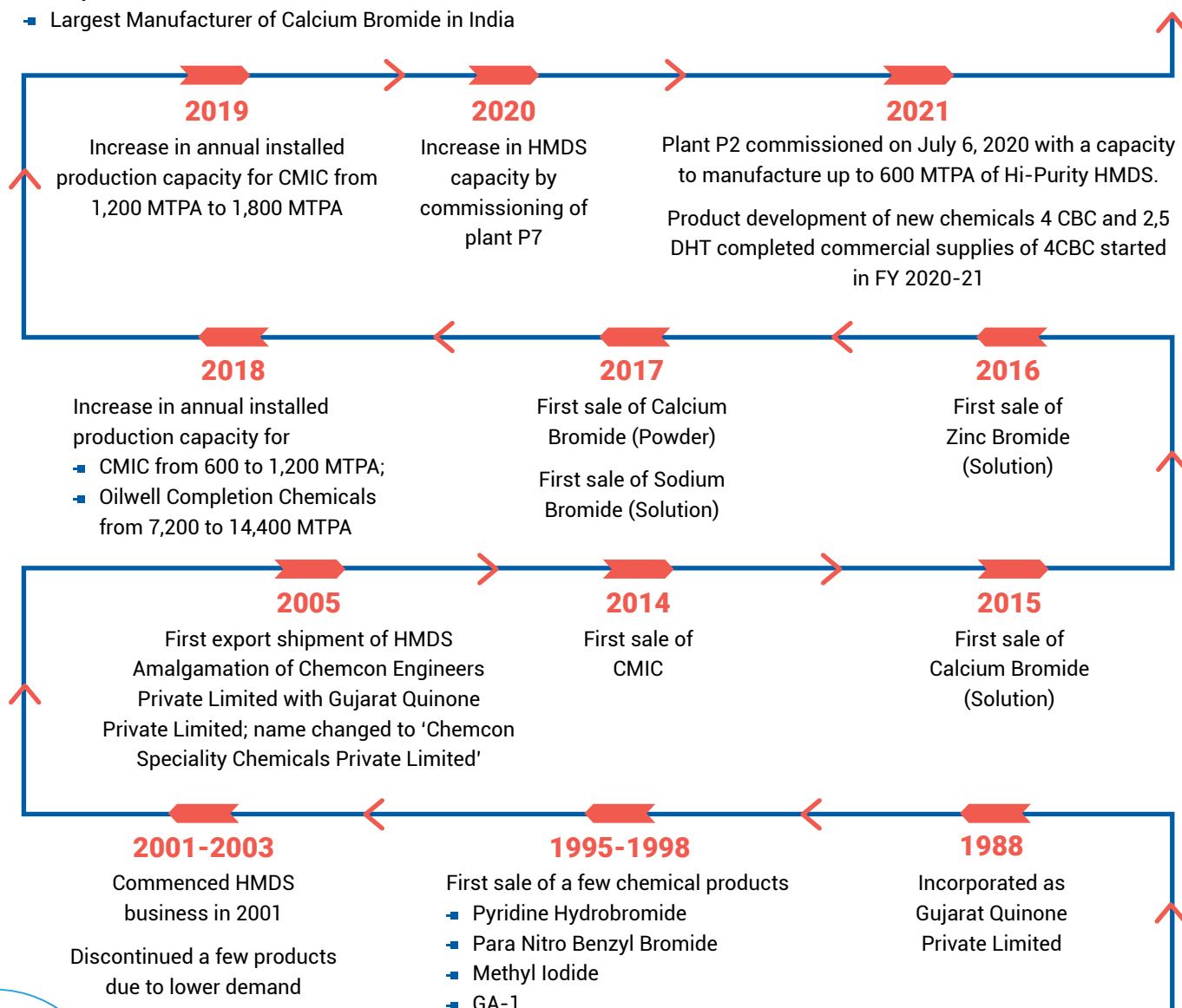
I would like to thank our customers, suppliers and other partners for their continued faith in our capabilities and helping us in improving our processes and in advancing ourselves into a world-class company. I thank my fellow Directors, senior leadership team and stakeholders for their continued support and faith in our vision and helping us drive success. We welcome 2021-22 with new aspirations. Stay safe and healthy, we are all in this together.

Warm Regards,
Kamalkumar Rajendra Aggarwal
 Chairman and Managing Director

Journey Towards Better Future

With profound faith in its abilities to tap future growth, Chemcon has acquired many strategic and valuable assets to enrich its portfolio. The acquisitions have helped it spread its wings across geographies, new applications and customers, along with delivering enhanced earnings that have benefitted its shareholders. In the past decade, Chemcon pursued its search for high-value-adding applications with a clear focus on strategic goals of creating long-term value and maximising total shareholder return. Since 2019, Chemcon is the:

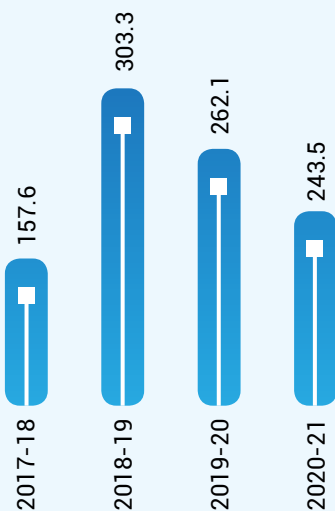
- Only Manufacturer of HMDS in India
- 3rd Largest Manufacturer of HMDS Worldwide
- Largest Manufacturer of CMIC in India
- 2nd Largest Manufacturer of CMIC Worldwide
- Only Manufacturer of Zinc Bromide in India
- Largest Manufacturer of Calcium Bromide in India



Financial Trends

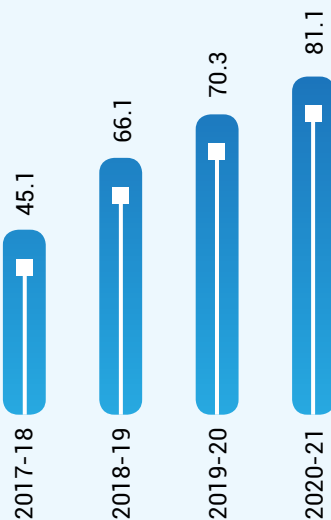
Total Revenue (₹ in Crores)

▲ 15.6%



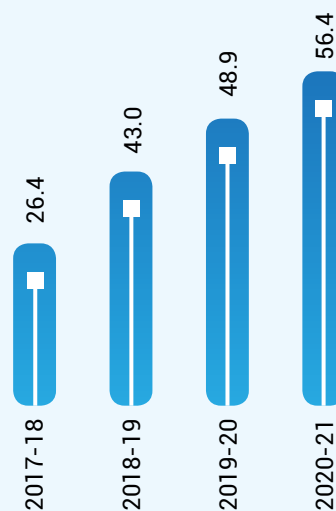
EBITDA (₹ in Crores)

▲ 21.6%



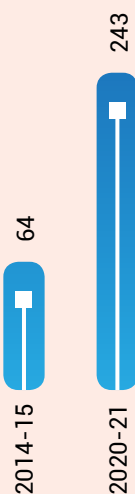
PAT (₹ in Crores)

▲ 28.8%



Moving Up the Value Chain (₹ in Crores)

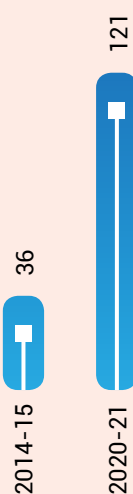
Business/Revenue



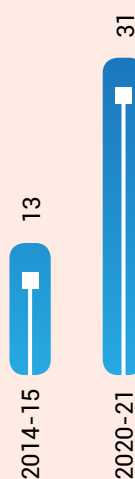
CMIC



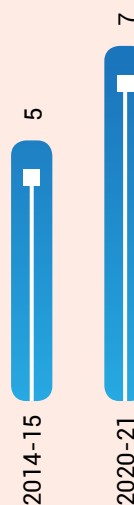
HMDS



Bromides



Others





Management Discussion & Analysis

Economic Overview

Global Economy

The Covid-19 pandemic crippled the global economy in 2020-21, leaving little chance to recover because the fiscal prior to it wasn't too sound as well for most nations. The pandemic-forced lockdowns, and social-distancing norms nabbed the growth momentum, further stalling it over the fiscal.

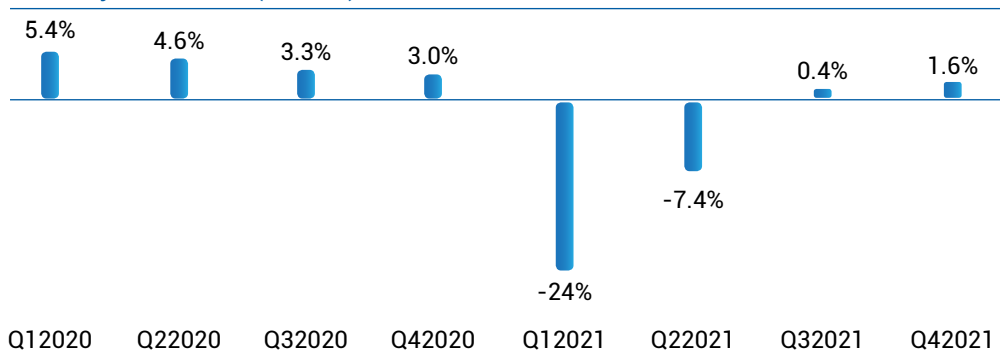
Indian Economy

The Covid-19 pandemic had such an overbearing effect on the Indian economy that it witnessed contraction in Gross Domestic Product (GDP) for the first time since

Independence. Calibrated fiscal and monetary support was provided, cushioning the vulnerable during the lockdown and boosting consumption and investment during the unlocking. This monetary policy ensured abundant liquidity and immediate relief to debtors, while unclogging monetary policy transmission. India's GDP due to pandemic contracted by 23.90% in Q1 and 7.50% in Q2 of 2020-21. As the first wave of Covid-19 pandemic eased out and the economy slowly opened up, India's GDP grew by 0.40% YoY in Q3 and 1.6% YoY in Q4. This was mainly attributed to improvement in consumer spending, Government capital expenditure and expansion in construction sector.

Source: Business-Standard and Times of India

Quarterly GDP Growth (Y-O-Y%)



Source: Ministry of Statistics and Program Implementation (MOSPI)

Outlook

Multiple vaccine approvals and the launch of an aggressive inoculation drive in many countries raised hopes of a better sail through the pandemic waves. The World Economic Outlook forecast suggested stronger-than-projected momentum on average across regions in the second half of 2020. The sizable fiscal support announced for 2021 in some countries, including United States and Japan, boosted economic activities among the advanced economies.

With respect to Indian economy, the larger-than-expected magnitude of Covid-19 second wave posed a serious threat to the faster recovery of economic activities. As of now, the outlook is hazy and will largely depend on how the different waves pan out. With the Covid-19 second wave starting to wane and availability of sufficient number of vaccines from September 2021, growth in second half of 2021-22 is likely to pick up. The Indian GDP is expected to grow around 10% in 2021-22 with the Reserve Bank of India expected to continue with its accommodative stance.

Industry Overview

The domestic consumption for chemicals used as pharma intermediates is dependent upon bulk drugs manufacturing (domestic consumption as well as captive consumption by integrated players). Majority of large bulk drug players are forward integrated through presence in formulations as well. However, backward integration for large players through intermediates manufacturing is limited. The players in chemicals used as pharma intermediates domain mostly have footprints in specialty chemicals, which are supplied to the pharmaceutical sector in addition to other sectors. CRISIL Research estimates that the domestic consumption of chemicals used as pharma intermediates remained at ~322 Billion (~USD 4.9 Billion) in fiscal 2019, witnessing ~7% CAGR since fiscal 2013. During the same period, bulk drugs production (including exports) also witnessed ~7% CAGR.

Import of chemicals used as pharma intermediates to India

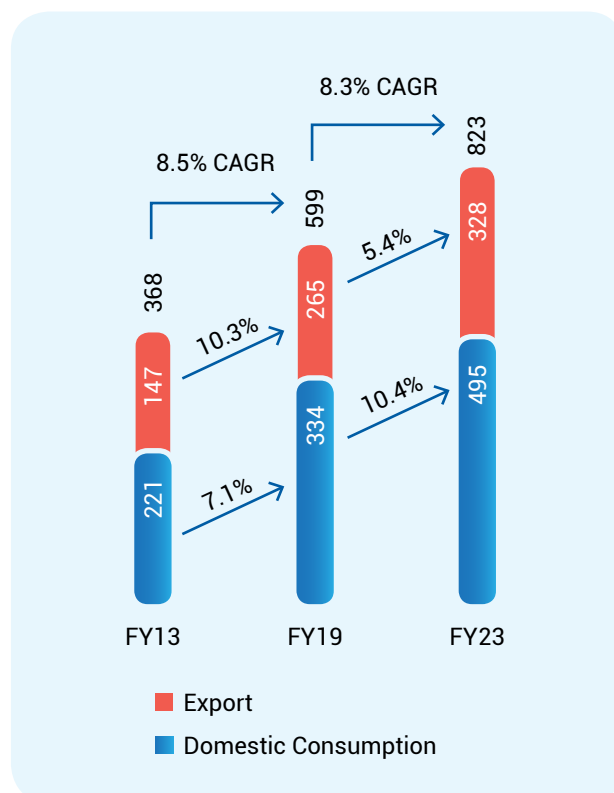
The share of imports in domestic consumption has dropped from ~65% in fiscal 2013 to ~58% in fiscal 2019. The drop in imports is majorly due to expiry of patents and withdrawal of customs duty exemption on drugs and intermediates in fiscal 2017. China dominates the import of bulk drugs and intermediates. Large manufacturing units of China have economies of scale,

supplying to several countries at a lower cost. The API/intermediates industry gets support from the Government through export subsidy. Moreover, the cost of electricity is cheaper in China, which helps it to maintain a cost advantage particularly in fermentation-based products, which have higher electricity requirements. However, an analysis of chemical exports from China shows that there has been a decline in exports from China in the past two-three years. Tougher regulations on pollution-causing industries have impacted the chemicals sector in China adversely.

Export of chemicals used as pharma intermediates from India

Exports (in value) recorded ~10.1% CAGR between fiscals 2013 and 2019. Indian intermediates players' export competitiveness can be attributed to their greater expertise in specialised intermediates as compared with traditional intermediates. Indian players, with better process chemistry skills, have relative advantage in custom synthesis, intermediates for drug discovery and contract manufacturing.

India overall market of chemicals used as pharma intermediates (₹ Billion)



Source: CRISIL Research, Frost & Sullivan Analysis

The India market of chemicals used as pharma intermediates includes domestic consumption and exports. The overall market of chemicals used as pharma intermediates is anticipated to record 7-9% CAGR over the five-year forecast period.

Opportunities for growth of domestic manufacturers are:

- Government initiatives such as bulk drugs parks focusing on streamlining the pharmaceutical industry
- Programmes such as Jan Aushadhi Scheme: Private players can participate in such schemes through competitive tenders and use their operational GMP compliant sites to supply medicines
- Shut down of Chinese chemical plants due to environmental concerns

Oil well completion chemicals markets overview

The global market of drilling and completion fluids is growing rapidly due to increased oil & gas exploration activities around the world. The high demand for crude oil, along with the maturing of onshore oil and gas wells is fostering the growth of drilling and completion fluids market. Moreover, factors such as continuous development of offshore reserves and rising deep water production are likely to influence the growth of the global drilling and completion fluids market positively. The global clear brine fluids market was valued at about USD 860 Million in 2019, and it is anticipated to witness a CAGR of slightly above 5% between 2020 and 2023.

The global clear brine fluids market can be segmented on the basis of products into potassium chloride, calcium chloride, sodium chloride, potassium bromide, sodium bromide, calcium bromide and others. The oil & gas sector is expected to be the most dominating end-user of the global clear brine fluids market, and it is expected to keep this trend over the estimated period.

North America accounts for ~65% of the total clear brine fluids market and it is expected to witness a significant growth in the forecast period. The Government is increasing its energy security, which will enhance the business growth for the region's market.

Asia Pacific accounts for ~15% of total clear brine fluids market and it is likely to witness robust growth for clear brine fluids due to the presence of a number of shale reservoirs in the region. Also, drilling activities in India and China are boosting the growth of the clear brine fluids market.

The Middle East & Africa is a major region for the oil & gas industry. The region has large oil & gas reserves in regions such as Libya, Syria, Egypt and others. The large presence of oil & gas reserves has augmented the growth

of the market in the region. Latin America is expected to witness a moderate growth over the years owing to the emerging markets especially in countries such as Brazil, Argentina and others in the region.

Some of the major players operating in the global clear brine fluids market are Israel Chemicals Ltd., Albemarle Corporation, Chemtura Corporation (acquired by LANXESS), TETRA and others.

Opportunities

India: An Emerging Space

In recent years, production-related disruptions in several chemical industries in the Chinese market due to strict environmental norms, has boosted the outlook for Indian companies. Increased environmental compliance costs, rising manpower wages, and reduced state support, have improved the cost competitiveness of Indian manufacturers. The momentum of shift from China is likely to accelerate in the backdrop of the Covid-19 pandemic, and it is expected to benefit Chemcon.

Formalisation

The organised segment having backward integration, along with strong compliance to global environmental laws, will have a stronger competitive edge to leverage the growth opportunities.

Threats

Rising Competition

The chemical industry is highly fragmented, competitive and cyclical. The Government has allowed 100% FDI in the chemical sector, which is encouraging stiff competition from foreign multinationals, and is exerting price pressure on domestic companies.



Shortage of raw materials

The raw materials or feedstock used in the organic, as well as the inorganic chemical industry, are not quickly accessible in the market. The chief feedstock like naphtha and natural gas are accessible at a very eminent cost in India as contrasted to other nations like the Middle East, China, and other South East Asian countries. This shortage of feedstock makes India uncompetitive in the worldwide chemical market.

Complicated Regulatory problems and high tax rates

The massive duty tax imposed on several raw materials exceeds the taxes levied on ready-made products. This disappoints India's chemical industry and supports the import of similar chemicals due to the negligible taxes.

Company Overview

We are a manufacturer of specialised chemicals such as HMDS and CMIC, which are predominantly used in the pharmaceuticals industry (the "Pharmaceutical Chemicals"), and inorganic bromides, namely Calcium Bromide, Zinc Bromide and Sodium Bromide, which are predominantly used as completion fluids in the oilfields industry (the "Oilwell Completion Chemicals"). In calendar year 2019, we were the only manufacturer of HMDS in India and were the third largest manufacturer of HMDS worldwide in terms of production (*Source: Frost & Sullivan Report*). We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production and capacity in calendar year 2019 (*Source: Frost & Sullivan Report*). Further, we were the only manufacturer of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production in calendar year 2019 (*Source: Frost & Sullivan Report*).

Our Strengths:

We are a leading manufacturer of Pharmaceutical Chemicals globally

We are a leading manufacturer of Oilwell Completion Chemicals in India

We have a healthy financial track record with a strong financial position

We have manufacturing facilities with dedicated plants for our products

We have a diversified customer base coupled with long-standing relationships

We operate in the speciality chemicals industry, which has high entry barriers

We have an illustrious and experienced senior management



Operational and Financial Overview

Our manufacturing facilities are located at Manjusar, about 10 kms on the outskirts of Vadodara in Gujarat. Within our manufacturing facilities, we currently have seven individual operational plants, along with warehouses for storage of our products and raw materials. We also have in-house laboratory to test raw materials procured and the products at various stages of the manufacturing process.

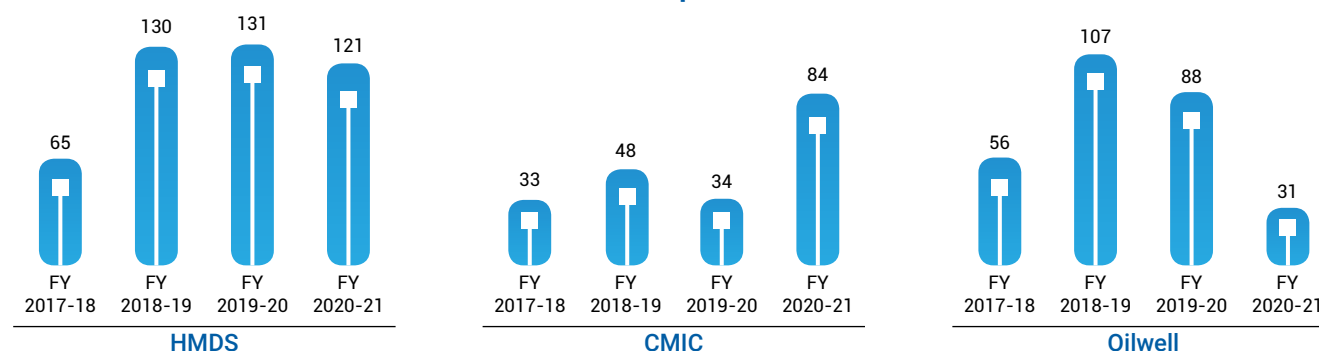
We are enhancing our manufacturing capabilities of pharma intermediate chemicals, which will further increase our strength for the existing product portfolio as well as for added products. Due to the second pandemic wave, the project commercialisation has been delayed. Products added in these two units will be a mix of new as well as old products. We will be adding a few more capacities of CMIC and other new products catering to high demand in the domestic market.

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

The table below sets forth some of the key financial indicators for and FY20 and FY21 YoY basis:-

Particulars (₹ in Crores)	FY2020-21	FY2019-20	Growth Y-o-Y
Revenue from Operations	243.5	262.1	-7.1%
Cost of Goods Sold	118.2	148.9	
Employee Cost	15.9	14.0	
Other Expenses	28.3	28.8	
EBITDA	81.1	70.3	15.5%
EBITDA Margin	33.3%	26.8%	
Other Income	4.6	4.0	
Depreciation	6.1	4.6	
EBIT	79.7	69.6	14.5%
Finance Cost	3.6	4.7	
Profit before Tax	76.1	64.9	17.1%
Tax	19.7	16.1	
PAT	56.4	48.9	15.4%
PAT Margin %	23.2%	18.6%	
Basic EPS	16.48	15.37	

Product-wise performance



Key Financial Ratio

Sr No	Particulars	FY 2020-21	FY 2019-20	Change	Reason for Change
1	Debtors Turnover Ratio (times)	2.57	2.95	-12.80%	No Significant Change
2	Inventory Turnover Ratio (times)	4.16	5.50	-24.41%	No Significant Change
3	Interest Coverage Ratio (times)	20.66	14.01	47.42%	Significant improvement due to lower borrowings
4	Current Ratio (times)	6.30	2.80	125.21%	The Current Ratio increased significantly due to an infusion of IPO funds
5	Debt Equity Ratio (times)	0.01	0.31	-95.60%	Our debt to equity ratio was low as we have increased the use of internal accruals and IPO fund.
6	Return on Net Worth (%)	15.95%	34.23%	53.42%	Mainly on account of increase in Equity and Security Premium Reserve as IPO in FY 2020-21
7	Operating Profit Margin (%) (EBIT)	30.82%	25.5%	23.06%	No Significant Change
8	Net Profit Margin (%) (PAT)	23.16%	18.64%	24.25%	No Significant Change

We believe that we have been able to maintain and improve our financial performance by regular capacity augmentation, diversification of our customer base and optimising costs of sourcing raw materials and other fixed costs.

Key Risks and Mitigation Strategies

The objective of our risk management activities is to recognise, assess and manage risks early on, and to implement appropriate measures to mitigate them. Risk management at Chemcon is a continuous process of analysing and managing all the risks posed to the business. Many risks are affecting the smooth functioning of the Company's operations. In the course of business, amongst others, Chemcon is exposed to several financial risks such as market risk, credit risk, liquidity risk and commodity price risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of the Company's strategies, operational and financial objectives, earning capacity and financial position.

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

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

Commodity price risk

Chemcon is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. The management keeps a close watch on the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits are with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. Chemcon's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report, are 'forward-looking' including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Chemcon's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Chemcon undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events

Credit risk

Credit risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the Company. Chemcon may carry this risk on trade and other receivables, liquid assets and some of the non-current financial assets. In case of trade receivables, the Company has framed an appropriate policy for extending credits period and limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. The credit risk on cash and cash equivalent, investment in fixed deposits and deposits are insignificant as counterparties are banks with high credit ratings assigned by the trading agencies of international repute.

Liquidity risk

Liquidity risk arises when the Company is unable to meet its short-term financial obligations as and when they fall due. Chemcon maintains adequate liquidity in the system to meet its financial liabilities on time. In addition to this, the Company's overall financial position is strong enough to meet any eventualities of liquidity tightness.

Human Resources

Workforce is crucial in maintaining quality and safety standards. Good relation with the workforce is critical in strengthening the Company's competitive position. As of March 31, 2021, Chemcon had 193 permanent employees on its rolls and 150 workers whom the Company engaged on a contractual basis.

Internal Control Systems & their Adequacy

Supply chain management

There are three major products manufactured and sold across more than 12 countries, resulting in a widespread supply chain network. Chemcon continually invests in initiatives for supply chain optimisation, capability building of its trade partners and the sales force. The constant observation and revision for all the manufacturing facilities help get better response. The key to an efficient supply chain management system is the use of technology solutions and predictive analytics for capturing accurate data and making proper decisions.

Information technology

Information technology provides continuous support to business operations by offering competitive advantages to the Company. A comprehensive ERP system has been implemented, which helps Chemcon increase its supply chain and provides accurate forecasts for sourcing and supply. The IT system and infrastructure are continuously examined and improved with appropriate and timely upgradation.

Board of Directors



Kamalkumar Rajendra Aggarwal

Chairman and Managing Director

Experience: 25 Years

Member of the Board Since: January 19, 2004

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



Navdeep Naresh Goyal

Deputy Managing Director

Experience: 10 Years

Member of the Board Since: April 1, 2015

Currently associated with SILPL in the capacity of Director (Operations)



Rajesh Chimanlal Gandhi

Whole-time Director and Chief Financial Officer

Experience: 22 Years

Member of the Board Since: May 1, 2012

Holds a Bachelor's Degree in Commerce from Gujarat University



Himanshu Prafulchandra Purohit

Whole-time Director

Experience: 22 Years

Member of the Board Since: May 1, 2012

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



Rajveer Kamal Aggarwal

Whole-time Director

Experience: 5 Years

Member of the Board Since: October, 2017

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

He is currently associated with Medicap Healthcare Limited in the capacity of Director (Operations)



Lalit Devidutt Chaudhary

Independent Director

Experience: 20 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Commerce from Sardar Patel University, Gujarat.

He has been associated with Chaudhary Crains Private Limited as a director since 1993



Devendra Raj Kumar Mangla

Independent Director

Experience: 15 Years

Member of the Board Since: April 29, 2019

Holds a Bachelor's degree in Commerce from University of Delhi. He is currently a partner in Baroda Freight Carrier and has been associated as partner since 1979



Neelu Atulkumar Shah

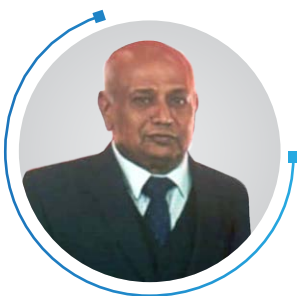
Independent Director

Experience: 5 Years

Member of the Board Since: April 29, 2019

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

She has been engaged by Dageena-the Jewellery Shoppe since 2014, as a Sales Manager



Bharat Chunilal Shah

Independent Director

Experience: 37 Years

Member of the Board Since: April 29, 2019

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



Samir Chandrakant Patel

Independent Director

Experience: 30 Years

Member of the Board Since: April 29, 2019

Holds a Master's degree in Science from Sardar Patel University, Gujarat. He has been associated with Samir Tech – Chem Private Limited as a Director

Corporate Information

Board of Directors

Mr. Kamalkumar Rajendra Aggarwal

Chairman & Managing Director

Mr. Navdeep Naresh Goyal

Deputy Managing Director

Mr. Rajesh Chimanlal Gandhi

Whole-time Director cum Chief Financial Officer

Mr. Rajveer Kamal Aggarwal

Whole-time Director

Mr. Himanshu Prafulchandra Purohit

Whole-time Director

Mr. Samir Chandrakant Patel

Independent Director

Mr. Lalit Devidutt Chaudhary

Independent Director

Mr. Bharat Chunilal Shah

Independent Director

Ms. Neelu Atulkumar Shah

Independent Director

Mr. Devendra Raj Kumar Mangla

Independent Director

Company Secretary & Compliance Officer

Mr. Shahilkumar Maheshbhai Kapatel

Registered office

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

Statutory Auditors

M/s. K C Mehta & Co.

Chartered Accountants

Secretarial Auditors

M/s. Kuldeep Bengani & Associates LLP

Practicing Company Secretaries

Banker

HDFC Bank Ltd.

Registrar and Share Transfer Agents:

Link Intime India Pvt. Ltd.

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

COMMITTEES OF BOARD

Audit Committee

Mr. Bharat Chunilal Shah

Chairman

Mr. Kamalkumar Rajendra Aggarwal

Member

Mr. Samir Chandrakant Patel

Member

Ms. Neelu Atulkumar Shah

Member

Stakeholder Relationship Committee

Mr. Bharat Chunilal Shah

Chairman

Mr. Rajesh Chimanlal Gandhi

Member

Mr. Lalit Devidutt Chaudhary

Member

Nomination and Remuneration Committee

Mr. Lalit Devidutt Chaudhary

Chairman

Ms. Neelu Atulkumar Shah

Member

Mr. Bharat Chunilal Shah

Member

Corporate Social Responsibility Committee

Mr. Navdeep Naresh Goyal

Chairman

Mr. Bharat Chunilal Shah

Member

Mr. Devendra Raj Kumar Mangla

Member

Notice



CHEMCON SPECIALITY CHEMICALS LIMITED

CIN: U24231GJ1988PLC011652

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

Notice of 32nd Annual General Meeting

NOTICE is hereby given that the Thirty-second Annual General Meeting (**AGM**) of the members of Chemcon Speciality Chemicals Limited (**the Company**) will be held on Tuesday, September 28, 2021 at 11:00 a.m. (IST) through Video Conferencing (**VC**)/Other Audio-Visual Means (**OAVM**) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratification of remuneration to the Cost Auditors for the financial year ending March 31, 2022.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341), appointed as the Cost Auditors of the Company by the Board of Director to conduct the audit of cost records of the Company for the financial year 2021-22 at a remuneration of ₹ 50,000 (Rupees Fifty Thousand Only) Plus XBRL Conversion Charges, reimbursement of out of pocket expenses as per actual and applicable government taxes/levies be and is hereby ratified and confirmed."

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

4. **To approve increase in remuneration of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), Whole-Time Director & Chief Financial Officer of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such other approvals as may be necessary, the consent of the members be and is hereby accorded to the revision in the remuneration of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), Whole Time Director of the Company with effect from 1st October 2020, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee of the Company, for the remaining period of his tenure.

- a) Basic Salary:** The Basic Salary of Mr. Rajesh Chimanlal Gandhi shall be ₹ 2.6 Lacs per month with the authority to the Board of Directors to determine any increments from time to time during the term of his appointment as per the recommendations of the Nomination and Remuneration Committee.
- b) Perquisites and Allowances:** Contribution to Provident fund, Superannuation fund and payment of Gratuity as per the rules of the Company
- c) Reimbursement of expenses:** Expenses incurred by Mr. Rajesh Chimanlal Gandhi for and on behalf of the Company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Rajesh Chimanlal Gandhi shall be entitled to receive remuneration upto the limit as approved herein above as minimum remuneration in compliance with applicable law.

Notice (Contd.)

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

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary thereof be and are hereby authorised severally to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To approve increase in remuneration of Himanshu Prafulchandra Purohit (DIN: 03296807), Whole-time Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such other approvals as may be necessary, the consent of the members be and is hereby accorded to the revision in the remuneration of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807), Whole Time Director of the Company with effect from 1st October 2020, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee of the Company, for the remaining period of his tenure.

- a) **Basic Salary:** The Basic Salary of Mr. Himanshu Prafulchandra Purohit shall be ₹ 2.6 Lacs per month with the authority to the Board of Directors to determine any increments from time to time during the term of his appointment as per the recommendations of the Nomination and Remuneration Committee.
- b) **Perquisites and Allowances:** Contribution to Provident fund, Superannuation fund and payment of Gratuity as per the rules of the Company
- c) **Reimbursement of expenses:** Expenses incurred by Mr. Himanshu Prafulchandra Purohit for and on behalf of the Company including his travelling, boarding, lodging, communication expenses shall be reimbursed at actuals and shall not form part of his remuneration.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Himanshu Prafulchandra Purohit shall be entitled to receive remuneration upto the limit as approved herein above as minimum remuneration in compliance with applicable law.

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

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary thereof be and are hereby authorised severally to take all such steps as maybe necessary, proper or expedient to give effect to this resolution."

6. **Approval of charges for service of documents through a particular mode as may be sought by the member.**

*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 20 of the Companies Act, 2013 and the Rules made thereunder, whereby a document may be served on any shareholder by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the members be and is hereby accorded to the Board of Directors of the Company to serve document(s) on member(s) of the Company through any particular mode as may be requested by such member for delivery of any document(s) to him and to charge from such member the estimated actual expenses of delivery of the documents to him through the requested particular mode at least one week in advance of the dispatch of document by the Company."

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

Registered Office:

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

Date: August 09, 2021

Place: Vadodara

By Order of the Board
 For **Chemcon Speciality Chemicals Limited**

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

Notice (Contd.)

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively, issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 32nd Annual General Meeting of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 32nd AGM shall be the Registered Office of the Company at Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara – 391 775, Gujarat.
2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business under Item nos. 3 to 6 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**') and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.
3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 32nd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Company or upload on the VC portal / e-voting portal.
7. Book Closure and Cut-off Date/Record date: The Register of Members and Transfer Book of the Company will be closed from Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of AGM. Accordingly, Tuesday, September 21, 2021 would be the cut-off date for the purpose of reckoning the members/beneficial owners entitled to e-vote and attend the AGM through VC/OAVM. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the said cut- off date.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 32nd AGM along with the Annual Report for Financial Year 2020-21 are being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 32nd AGM and the Annual Report for the Financial Year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

Notice (Contd.)

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at: investor.relations@cscpl.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
10. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the Financial Year 2020-21 will also be available on the Company's website www.cscpl.com for their download. The same shall also be available on the website of the Stock Exchanges where the securities of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and the Notice of AGM shall also be available on the website of CDSL at www.evotingindia.com.
 11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of 32nd AGM, i.e. September 28, 2021. Members seeking to inspect such documents can send an email to investor.relations@cscpl.com.
 12. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, August 27, 2021 have been considered for the purpose of sending the AGM Notice and the Annual Report. However, those persons who become members subsequently may join the meeting and also cast their vote by following the process provided in this notice.
 13. Members can avail the facility of nomination in respect of shares held by them in physical form. Members desiring to avail this facility may send email to vadodara@linkintime.co.in. Members holding shares in demat form may contact their Depository Participant for availing this facility.
 14. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019 except in case of transmission or transposition of securities. In view of the above, members holding shares in physical form are advised to dematerialise the shares with their Depository Participant.

15. Voting:

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. September 21, 2021 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER

- 15.1) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
15. 2) The voting period begins on Friday, September 24, 2021 at 10:00 a.m. and ends on Monday, September 27, 2021 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
15. 3) The members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

Notice (Contd.)

15. 4) The Board of Directors of the Company has appointed Mr. Kuldeep Bengani, Practicing Company Secretary, (Membership no. FCS 8049), Partner, M/s. Kuldeep Bengani & Associates LLP, Company Secretaries as Scrutiniser to scrutinise the voting through electronic means during the AGM and remote e-voting process in a fair and transparent manner..
15. 5) The Voting Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.cscpl.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE and NSE, where the shares of the Company are listed.
15. 6) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-Voting Service Providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
15. 7) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for remote e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is as follows:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.ndsl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Notice (Contd.)

Type of shareholders	Login Method
	<p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

15.8) Login method for remote e-Voting and joining virtual meeting for non-individual shareholders holding shares in Demat form and shareholders holding shares in physical form:

The shareholders should log on to the e-voting website www.evotingindia.com.

- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

Notice (Contd.)

5. If you are a first-time user follow the steps given below:

	For non-individual shareholders holding shares in Demat form and shareholders holding shares in physical form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

6. After entering these details appropriately, click on "SUBMIT" tab.
- 15.9) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 15.10) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 15.11) Click on the EVSN of Chemcon Speciality Chemicals Limited.
- 15.12) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 15.13) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 15.14) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 15.15) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15.16) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 15.17) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 15.18) **Note for Non-Individual Shareholders and Custodians – Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

Notice (Contd.)

- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at the email address kuldeepkcc@gmail.com with a copy to the Company at the email address investor.relations@cscpl.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

16. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- 16.1) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 16.2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 16.3) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- 16.4) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 16.5) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 16.6) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 16.7) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number along with questions, if any, at investor.relations@cscpl.com. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time as appropriate for smooth conduct of the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor.relations@cscpl.com. These queries will be replied to by the Company suitably by email.
- 16.8) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 16.9) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 16.10) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542 / 43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.

Registered Office:

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

Date: August 09, 2021
Place: Vadodara

By Order of the Board
For **Chemcon Speciality Chemicals Limited**

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

Notice (Contd.)

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 3 to 6 of the accompanying Notice dated August 09, 2021.

Item No. 3:

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341), Vadodara, as the Cost Auditor of the Company for the Financial Year 2021-22 at a remuneration of ₹ 50,000 (Rupees Fifty Thousand Only) Plus XBRL Conversion Charges, reimbursement of out of pocket expenses as per actual and applicable government taxes/levies.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by members of the Company.

Accordingly, members are requested to consider and ratify the remuneration payable to Cost Auditors for the year 2021-22 as set out in the resolution for the aforesaid services.

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

None of the directors, key managerial personnel of the Company or their relatives are interested in the Resolution at Item No. 3 of the Notice.

Item No. 4 and 5:

The Board of directors at its meeting held on May 01, 2019, has re-appointed and designated Mr. Rajesh Chimanlal Gandhi as Whole-Time Director & Chief Financial Officer of the Company and re-appointed and designated Mr. Himanshu Prafulchandra Purohit as Whole-Time Director of the Company, for a period of 3 years i.e. from May 01, 2019 to April 30, 2022. The same was subsequently approved by the members of the Company at the AGM held on June 14, 2019 by a Special Resolution.

Further, considering the contribution of Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit and as per the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on November 6, 2020 approved the revision in the remuneration of Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit for their remaining tenure effective from October 01, 2020, subject to the approval of the members and on terms and conditions enumerated in the resolution.

While the Company's operations are profitable, the overall managerial remuneration including remuneration proposed to be paid to Mr. Kamalkumar Rajendera Aggarwal, Mr. Rajesh Chimanlal Gandhi, Mr. Navdeep Naresh Goyal, Mr. Rajveer Kamal Aggarwal and Mr. Himanshu Prafulchandra Purohit may exceed the limits Specified in Section 197 of the Companies Act, 2013. Hence, as a matter of abundant caution, the members are requested to consider the revision in remuneration of Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit in accordance with the provisions of Section II of Part II of Schedule V of Companies Act, 2013.

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

		Mr. Rajesh Chimanlal Gandhi Whole-Time Director & Chief Financial Officer	Mr. Himanshu Prafulchandra Purohit Whole-Time Director
I.	General information:		
1.	Nature of industry	The Company is a manufacturer of specialised chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals.	
2.	Date or expected date of commencement of commercial production	Existing Company in operation	

Notice (Contd.)

		Mr. Rajesh Chimanlal Gandhi Whole-Time Director & Chief Financial Officer	Mr. Himanshu Prafulchandra Purohit Whole-Time Director
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable	
4.	Financial performance based on given indicators	Financial performance during the financial year 2020-21: Revenue from operations: ₹ 24,348.72 Lacs Other Income: ₹ 463.53 Lacs Total Expenditure: ₹ 17,206.68 Lacs Profit before tax: ₹ 7,605.57 Lacs Net Profit after tax: ₹ 5,639.82 Lacs	
5.	Foreign investments or collaborations, if any	Not applicable	
II.	Information about the appointee:		
1	Background details	Mr. Rajesh Chimanlal Gandhi holds a bachelor's degree in commerce from Gujarat University, Gujarat. In the past, he was associated with the Company in the capacity of Accounts & Finance Manager. He has more than 20 years of experience in finance & accounts and related operations.	Mr. Himanshu Prafulchandra Purohit holds a master's degree in science in inorganic chemistry from the Sardar Patel University, Gujarat. In the past, he has been associated with the Company in the capacity of production manager. He has more than 20 years of experience in production related operations.
2	Past remuneration	During the Financial Year ended March 31, 2021, ₹ 26.40 Lacs each was paid as remuneration to Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit.	
3	Recognition or awards	Not applicable	
4	Job profile and his suitability	Mr. Rajesh Chimanlal Gandhi has overall control over the management in the Finance and Accounts areas of the Company in line with his qualification and experience in the business.	Mr. Himanshu Prafulchandra Purohit has control over the management in the technical areas of the Company's business in line with his qualification and experience in the business.
5	Remuneration proposed	Monthly remuneration of ₹ 2,60,000/- (₹ Two Lacs Sixty Thousand) as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.	Monthly remuneration of ₹ 2,60,000/- (₹ Two Lacs Sixty Thousand) as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and board level positions held in similar sized Companies.	

Notice (Contd.)

		Mr. Rajesh Chimanlal Gandhi Whole-Time Director & Chief Financial Officer	Mr. Himanshu Prafulchandra Purohit Whole-Time Director
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Mr. Rajesh Chimanlal Gandhi is not related to any of the Directors and Key Managerial Personnel of the Company.	Mr. Himanshu Prafulchandra Purohit is not related to any of the Directors and Key Managerial Personnel of the Company.
III. Other information			
1.	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate may exceed the limits Specified in Section 197 of the Act. Hence, as a matter of abundant caution, the members are requested to consider the revision in remuneration of Mr. Rajesh Chimanlal Gandhi and Mr. Himanshu Prafulchandra Purohit in accordance with the provisions of Schedule V of Act.	
2.	Steps taken or proposed to be taken for improvement	Not applicable	
3.	Expected increase in productivity and profits in measurable terms	Not applicable	

The Board recommends the resolution set out in item No. 4 and item No. 5 of this Notice for the approval of the members of the Company by way of Special Resolution.

None of the directors, key managerial personnel of the Company or their relatives, except Mr. Rajesh Chimanlal Gandhi (for item 4) and Mr. Himanshu Prafulchandra Purohit (for item 5) are interested in the Resolution at Item No. 4 and Item No. 5 of the Notice.

Item No. 6:

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the Company.

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

None of the directors, key managerial personnel of the Company or their relatives are interested in the Resolution at Item No. 6 of the Notice.

Registered Office:

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

Date: August 09, 2021

Place: Vadodara

By Order of the Board
For **Chemcon Speciality Chemicals Limited**

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

Notice (Contd.)

ANNEXURE – A

Details of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

Name of the Director	Himanshu Prafulchandra Purohit
Designation	Whole-time Director
DIN	03296807
Date of Birth	July 30, 1973
Age	48 Years
Nationality	Indian
Qualifications	Master's degree in science (M.Sc)
Experience	Over 20 years
Date of Appointment on the Board	May 01, 2012
Number of Board Meetings attended during the Financial Year 2020-21	9 out of 10
Remuneration details	₹. 2,60,000 per month
Number of shares held in the Company as on March 31, 2021	-
Relationships between Directors inter-se	-
Directorship in other Companies as on March 31, 2021	-
Chairman/ Member in the Committees of the Boards of other Companies in which he/she is a Director as on March 31, 2021	-

Directors' Report

To,
The Members,
Chemcon Speciality Chemicals Limited

Your directors have pleasure in presenting the 32nd Annual Report on the business and operations of Chemcon Speciality Chemicals Limited ("the Company") together with the audited financial statements for the financial year ended March 31, 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance of the Company for the year ended March 31, 2021 is summarised below:

(₹ in lacs)

Particulars	FY 2020-21	FY 2019-20
Revenue from Operations	24,348.72	26,205.16
Other Income	463.53	396.50
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	8,576.50	7,422.64
Less: Depreciation/ Amortisation/ Impairment	607.62	461.96
Profit / loss before Finance Costs, Exceptional items and Tax Expense	7,968.88	6,960.68
Less: Finance Costs	363.31	468.43
Profit / loss before Exceptional items and Tax Expense	7,605.57	6,492.25
Add/(less): Exceptional items	-	-
Profit / loss before Tax Expense	7,605.57	6,492.25
Less: Tax Expense (Current & Deferred)	1,965.75	1,607.00
Profit / loss for the year	5,639.82	4,885.25
Other Comprehensive Income/(loss)	(5.23)	48.66
Total Comprehensive Income	5,634.59	4,933.91

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

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR / STATE OF COMPANY'S AFFAIR

Performance review:

The Company has continued to grow despite a challenging environment. Revenue from operations for the year ended March 31, 2021 aggregated to ₹ 24,348.72 Lacs as against ₹ 26,205.16 Lacs achieved during the previous year. Profit after tax increased by 15.44% from ₹ 4,885.25 Lacs to ₹ 5,639.82 Lacs. EBIT increased by 15.47% from ₹ 7,026.14 Lacs to ₹ 8,112.97 Lacs. The earnings per share increased by 7.22% from ₹ 15.37 per share to ₹ 16.48 per share.

COVID-19:

As the COVID-19 pandemic continues to impact people and communities around the world, the health and safety of the people remains our top priority. We actively concentrated on applying best practices and realigned our business to respond appropriately in the fight for the prevention and containment of COVID-19.

The Company supported employees, staffs and their families, society and Government bodies during these tough times. A thorough thermal scanning and sanitisation protocol was introduced at all the plants and offices of the Company. A continuous monitoring of employees was done for signs & symptoms and voluntary disclosure of symptoms by the employees was encouraged. Additional buses were provided for employees and staffs to commute and maintain physical distance. Work from home was provided wherever possible to maintain lean staff in the work area. The Company provided support to its employees and their families to undergo vaccination.

The Company strictly followed the guidelines issued by the local authorities, State and Central Government to protect the health and well-being of its workforce and ensured minimum disruption to its customers. The sales of the Company in the first quarter

Directors' Report (Contd.)

of financial year 2020-21 were affected due to the pandemic. The COVID-19 disruption has resulted in short supply of packaging material & consequently affected our production and sales.

The detailed state of Company's affairs is discussed in the Annual Report under the heading Management Discussion and Analysis.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business or the business line of the Company during the year under review.

DIVIDEND

Your directors have thought fit to plough back the profit in operations for providing long term working capital and hence, opted not to declare any dividend for the financial year ended March 31, 2021.

Unpaid dividend & Investor Education and Protection Fund (IEPF):

The Company is not required to transfer any amount to IEPF Account.

TRANSFER TO RESERVE

No amount has been transferred to any reserve during the financial year 2020-21.

SHARE CAPITAL

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

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

Initial Public Offer (IPO)

During the period under review, the Company had successfully made its Initial Public Offer (IPO) of 93,52,941 equity shares @ ₹ 340/- (including a share premium of ₹ 330/-) per equity shares of ₹ 10/- each which includes a fresh issue of 48,52,941 equity shares of ₹ 10/- each for raising funds for the Company aggregating to ₹ 16,500 Lacs and Offer for Sale of 45,00,000 equity shares of the Promoter and Promoter Group shareholders having face value of ₹ 10/- each. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on October 01, 2020.

Utilisation of IPO Proceeds

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

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

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

BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

Directors' Report (Contd.)

BONUS SHARES

The Company has not issued any Bonus Shares during the year under review.

EMPLOYEE STOCK OPTION PLAN

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

Details of New Subsidiary/ Joint Ventures/Associate Companies:

There are no new Subsidiary/Joint Ventures/Associate Companies of the Company during the year under review.

Details of the Company who ceased to be its Subsidiary / Joint Ventures / Associate Companies:

No Company ceased to be Subsidiary / Joint Venture/ Associate Company of the Company during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

As on March 31, 2021, the Board of Directors of your Company comprised of ten Directors, viz., five executive Directors and five Independent Directors including one women Director.

The Directors of the Company are:

1. Mr. Kamalkumar Rajendra Aggarwal, Chairman & Managing Director
2. Mr. Navdeep Naresh Goyal, Deputy Managing Director
3. Mr. Rajesh Chimanlal Gandhi, Whole time Director & Chief Financial Officer
4. Mr. Himanshu Prafulchandra Purohit, Whole time Director
5. Mr. Rajveer Kamal Aggarwal, Whole time Director
6. Ms. Neelu Atulkumar Shah, Independent Director
7. Mr. Lalit Devidutt Chaudhary, Independent Director
8. Mr. Samir Chandrakant Patel, Independent Director
9. Mr. Devendra Raj Kumar Mangla, Independent Director
10. Mr. Bharat Chunilal Shah, Independent Director

Key Managerial Personnel

Following persons are the Key Managerial Personnel of your Company:

1. Mr. Kamalkumar Rajendra Aggarwal, Chairman & Managing Director
2. Mr. Navdeep Naresh Goyal, Deputy Managing Director
3. Mr. Rajesh Chimanlal Gandhi, Whole time Director & Chief Financial Officer
4. Mr. Himanshu Prafulchandra Purohit, Whole time Director
5. Mr. Rajveer Kamal Aggarwal, Whole time Director
6. Mr. Shahilkumar M. Kapatel, Company Secretary & Compliance Officer

There has been no change in the Directors and Key Managerial Personnel of the Company, during the year under review.

Directors' Report (Contd.)

Annual compliance affirmation

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

Declaration by Independent Directors

The Company has received necessary declarations from each Independent Director confirming that each of them meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013. Further there has been no change in the circumstances which may affect their status as Independent Director during the year under review.

Retirement by rotation

As per the provisions of Section 152(6) of the Companies Act, 2013, not less than two-third of the total number of Directors, other than Independent Directors shall be liable to retire by rotation. One-third of these Directors are required to retire every year. Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer himself for re-appointment. A detailed profile of Mr. Himanshu Prafulchandra Purohit along with additional information required under Regulation 36(3) of Listing Regulations and Secretarial Standard on general meetings is provided separately by way of Annexure to the Notice of the AGM.

Meetings of the Board of Directors (BOD):

During the year under review, 10 (Ten) Meetings of the Board of Directors were held in accordance with the provisions of the Companies Act, 2013 and rules made there under and the applicable secretarial standards. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report which forms part of the Annual Report of the Company.

COMMITTEES OF BOARD

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

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee
- e) IPO Committee

The composition of all such Committees, brief terms of reference, number of meetings held their dates and attendance during the year under review, and other details have been provided in the Corporate Governance Report. All the recommendations made by the Committees were accepted by the Board.

Audit Committee:

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

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

Stakeholders Relationship Committee:

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

Directors' Report (Contd.)

Nomination and Remuneration Committee:

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

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

The salient features of the NRC Policy are as under:

1. Setting out scope and objective of the policy
2. Defining role of the Committee
3. Laying down the qualifications and criteria to appoint a Director
4. Identification of criteria of independence for Independent Director
5. Identifying the entitlement to non-executive Directors
6. Framing structure of remuneration to the Executive Directors and Key Managerial Personnel and other employees.

Corporate Social Responsibility (CSR) Committee:

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

The Corporate Social Responsibility Committee comprises Mr. Navdeep Naresh Goyal as the Chairperson and Mr. Bharat Chunilal Shah and Mr. Devendra Raj Kumar Mangla as members of the Committee.

During the financial year 2020-21, your Company was unable to spent the prescribed CSR amount as the Company is in the process of exploring and finalising the key area(s) where it can undertake expenditure/contribution toward Corporate Social Responsibility.

The initiatives undertaken by the Company during the financial year 2020-21 in CSR activities have been detailed in Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and is annexed as **Annexure – I**.

IPO Committee:

The IPO committee was constituted by the board of directors at their meeting held on April 29, 2019 to facilitate the Company to complete various legal, statutory and procedural formalities in relation to the initial public offer and listing of equity shares of the Company.

During the F.Y. 2020-21 the committee has met 5 (five) times on September 12, 2020, September 15, 2020, September 18, 2020, September 24, 2020 & September 28, 2020.

After the listing of equity shares of the Company on October 01, 2020, the Board at its meeting held on November 06, 2020 has dissolved the IPO Committee as the purpose of the committee was accomplished.

RISK MANAGEMENT

The Board of Directors periodically evaluates the processes for Risk Identification and Risk Mitigation. The Company has a system for Risk Management to define, assess and track business threats and obstacles throughout the Company. The management of your Company has duly adopted the Risk Management Policy to articulate the Company's approach and expectations in relation to the management of risk across the organisation.

The Risk Management Policy is available on Company's website at <https://www.cscpl.com/policies.php>.

Directors' Report (Contd.)

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

Risk Management Committee

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

Sr.	Name of Committee Members	Designation
1.	Samir Chandrakant Patel	Independent Director
2.	Rajesh Chimanlal Gandhi	Wholetime Director and CFO
3.	Himanshu Prafulchandra Purohit	Wholetime Director

VIGIL MECHANISM

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

The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of your Company has been denied access to the Audit Committee.

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

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors have carried out annual performance evaluation of the Board as a whole, Board Committees, Individual Directors, Independent Directors and Chairman of the Company. The performance of the Board and its Committee was evaluated after seeking inputs from all the Directors and Committee Members on the basis of defined criteria.

The performance of each director was evaluated by all the members of the Nomination and Remuneration Committee (other than the member evaluating) on the basis of criteria laid down in Performance Evaluation Policy.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 09, 2021 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of your Company and the Board.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their meeting was noted by the Board. The performance evaluation of Executive Directors, Independent Directors, Board committees and Board as a whole was carried out by the board of directors, excluding the director being evaluated, at their meeting on the basis of criteria laid down in Performance Evaluation Policy of the Company.

AUDITORS

STATUTORY AUDITORS:

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

Directors' Report (Contd.)

Statutory Auditors report:

M/s. K. C. Mehta & Co., Statutory Auditors, have not made any modified opinion, qualifications, reservations, adverse remarks or disclaimers in their report for the Financial Year 2020-21. Accordingly, the board is not required to provide any explanation or comments in terms of Section 134(3)(f)(i) of the Companies Act, 2013.

Details in Respect of frauds reported by the Auditors under Section 143 (12) of Companies Act, 2013:

There are no frauds reported by the Auditor which are required to be disclosed under Section 143(12) of Companies Act, 2013 for the financial year ended March 31, 2021.

COST AUDITORS:

Based on the recommendation made by the Audit Committee, the Board of Directors of your Company has appointed, M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341) as the Cost Auditor for audit of cost records maintained by the Company for the financial year 2021-22. The remuneration payable to the Cost Auditor is required to be ratified by the Shareholders at the ensuing AGM and accordingly, a resolution seeking ratification has been included in the Notice convening the AGM.

The Cost Audit report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark and has been furnished to the Central Government within the prescribed time limits.

Maintenance of Cost Records

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

SECRETARIAL AUDITOR:

Pursuant to provision of section 204 of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended or re-enacted from time to time), and as recommended by the Audit Committee, M/s. Kuldeep Bengani & Associates LLP, Practicing Company Secretaries, were appointed as Secretarial Auditor by the Board for conducting the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit report is annexed as **Annexure II** and forms part of the Directors Report. There are no qualifications or remarks made by the Secretarial Auditor in their Report.

INTERNAL AUDITOR

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

M/s. Sahu & Co., Chartered Accountants, (FRN: 130001W), were appointed as the Internal Auditors of the Company to conduct the internal audit for the financial year 2021-22.

PARTICULARS OF EMPLOYEES

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed and there are no material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 and of the profit and loss of the company for that period;

Directors' Report (Contd.)

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

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE GOVERNANCE

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

The Compliance Certificate from M/s. Kuldeep Bengani & Associates LLP, Practicing Company Secretaries, regarding compliance of conditions of corporate governance is annexed as **Annexure V**.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2020-21 and the date of this report.

ANNUAL RETURN

As required under Section 134(3)(a) of the Companies Act, 2013, the draft of the Annual Return, referred to in sub-section (3) of section 92, for the financial year ended March 31, 2021, is placed on the Company's website and can be accessed at <https://www.cscpl.com/annual-report.php>.

INTERNAL FINANCIAL CONTROLS

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

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

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

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

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

The Company has also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints of sexual harassment were received by the Company during the Financial Year 2020-21.

Directors' Report (Contd.)

CREDIT RATING

During the Financial Year 2020-21, the Company had a Long-Term Rating of CRISIL BBB+/Stable by CRISIL Limited. The Credit Rating Letter is also available on the website of the Company, at, <https://www.cscpl.com/other-shareholder-information.php>

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

RELATED PARTY TRANSACTIONS

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

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

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

Disclosure of all the transactions entered by the Company with related parties are set out in Note No. 34 of the Financial Statements of the Company in the format prescribed in the relevant Accounting Standards.

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

SIGNIFICANT AND MATERIAL ORDERS PASSED AGAINST THE COMPANY

During the year under review there were no significant and material orders passed by the Regulators or Courts or Tribunals or Statutory and quasi-judicial body impacting the going concern status and the Company's operations in future.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

ISO CERTIFICATE

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

INDUSTRIAL RELATIONS

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

Directors' Report (Contd.)

INSURANCE

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO

The details pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure VI**.

COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government, in terms of Section 118(10) of the Companies Act, 2013.

GENERAL

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
- b. The Company does not have any subsidiaries hence, disclosure on remuneration or commission received by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries is not applicable.
- c. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- d. Disclosure on non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 is not applicable.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors of
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
Chairman & Managing Director
DIN: 00139199

Place: Vadodara
Date: August 09, 2021

Annexure I to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

(i) A brief outline of the company's CSR Policy

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

(ii) The Composition of the CSR Committee:

The CSR Committee comprises of following members:

Sr. No.	Name of Member	Designation	Nature of Directorship
1	Navdeep Naresh Goyal	Chairman	Deputy Managing Director
2	Bharat Chunilal Shah	Member	Independent Director
3	Devendra Raj Kumar Mangla	Member	Independent Director

(iii) Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://www.cscpl.com>

(iv) Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable for the year under review.

Grocery Distribution by our Company's Employee During Lockdown



Annexure I to Directors' Report (Contd.)

- (v) Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

(₹ in Lacs)

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

- (vi) Average net profit of the company as per section 135(5): ₹ 5,516.64 Lacs

- (vii) CSR obligation:

(₹ in Lacs)

Sr. No	Particulars	Amount
1.	Two percent of average net profit of the Company as per Section 135(5)	110.33
2.	Surplus arising out of the CSR projects or programs or activities of the previous financial years	0.00
3.	Amount required to be set-off for the financial year, if any	0.00
4.	Total CSR obligation for the financial year (1+2-3)	110.33

- (viii) a. Details of CSR spent or unspent during the financial year :

(₹ in Lacs)

Total amount spent for the financial year	Amount unspent				
	Total amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
17.12	-	-	-	-	-

In accordance with the provisions of Section 135 (5) of Companies Act, 2013, the Company is liable to transfer ₹ 93.22 Lacs unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Accordingly, the Company shall transfer the said amount on or before 30th September 2021. The board of directors of the Company have decided to transfer the unspent amount to fund specified in Schedule VII as recommended by CSR Committee.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

Annexure I to Directors' Report (Contd.)

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

Sr. No	CSR project or activity identified	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No).	Location of the Project		Amount spent for the project (₹ in Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Distribution of Ration Kits	Eradicating hunger	Yes	Gujarat	Vadodara	1.20	YES	-	-
2	Development of infrastructure in villages	Rural development	Yes	Gujarat	Vadodara	1.00	YES	-	-
3	Assistance to underprivileged community	Livelihood enhancement	Yes	Gujarat	Vadodara	0.70	YES	-	-
4	Employment enhancing - providing vocational skills	Skill Development	Yes	Gujarat	Vadodara	3.00	YES	-	-
5	Employment enhancing - providing vocational skills	Skill Development	Yes	Gujarat	Vadodara	5.00	YES	-	-
6	Imparting Education	Promoting Education	Yes	Gujarat	Vadodara	5.00	YES	-	-
7	Covid Relief- Providing Beds to hospital	Healthcare	Yes	Gujarat	Vadodara	1.22	YES	-	-
TOTAL						17.12			

d. Amount spent in Administrative Overheads: NIL

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

f. Total amount spent for the Financial Year (b+c+d): ₹ 17.12 Lacs

g. Excess amount for set off, if any

(₹ in Lacs)

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

(ix) a. Details of the unspent CSR amount for the preceding three financial years:

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

Annexure I to Directors' Report (Contd.)

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

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

(x) Details relating to the creation or acquisition of capital asset through CSR spent in the financial year:

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

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

For the financial year 2020-21, the company is in the process of exploring and finalising the key area(s) where it can undertake expenditure/contribution toward Corporate Social Responsibility and hence the company was unable to spend the requisite amount towards the corporate social responsibility activities during the financial year 2020-21.

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Place: Vadodara
 Date: August 09, 2021

Kamalkumar Rajendra Aggarwal
 Chairman & Managing Director
 DIN: 00139199

Navdeep Naresh Goyal
 Chairman CSR Committee
 DIN: 02604876

Annexure II to Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To,

The Members

Chemcon Speciality Chemicals Limited

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

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

Based on our verification of the Chemcon Speciality Chemicals Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering that is to say from April 01, 2020 to March 31, 2021 (hereinafter referred to as 'Audit Period' or 'Period under Review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure II to Directors' Report (Contd.)

(vi) other laws as may be applicable specifically to the Company are as follows:

- (a) The Explosives Act, 1884 and the Rules made thereunder;
- (b) The Boilers Act 1923 and the Rules made thereunder;
- (c) The Environment (Protection) Act, 1986 and the Rules made thereunder; and
- (d) The Factories Act, 1948 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the Period under Review.

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

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

We further report that based on the review of systems and processes adopted by the Company and the certificate for compliance of Corporate Laws submitted by the Company Secretary of the Company on quarterly basis at the meeting of Board of Directors and which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period the Company has made its Initial Public Offer (IPO) of 9,352,941 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 340 per equity share (including a premium of ₹ 330 per equity share) aggregating to ₹ 318 Crores. The issue comprised of a fresh issue of 4,852,941 equity shares aggregating to ₹ 165 Crores and an offer for sale of 4,500,000 equity shares aggregating to ₹ 153 Crores and got equity shares of the Company listed on the Stock Exchanges (BSE & NSE) on October 1, 2020.

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

For **Kuldeep Bengani & Associates LLP**
Company Secretaries

Kuldeep Bengani

Partner

FCS No. :8049

C P No.: 8372

UDIN: F008049C000743850

Place: Vadodara

Date: August 06, 2021

Annexure II to Directors' Report (Contd.)

Annexure A

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

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

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

For **Kuldeep Bengani & Associates LLP**
Company Secretaries

Kuldeep Bengani
Partner

FCS No. :8049

C P No.: 8372

UDIN: F008049C000743850

Place: Vadodara

Date: August 06, 2021

Annexure III to Directors' Report

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

PART (A) – DISCLOSURE AS REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ending March 31, 2021:

Sr. No.	Name	Number of Times	
		if total remuneration of the Director, excluding variable pay, is considered	if total remuneration of the Director is considered
Chairman and Managing Director			
1	Mr. Kamalkumar Rajendra Aggarwal	23.43	141.57
Deputy Managing Director			
1	Mr. Navdeep Naresh Goyal	35.15	153.29
Whole-time Director and Chief Financial Officer			
1	Mr. Rajesh Chimanlal Gandhi	12.89	12.89
Whole-time Director			
1	Mr. Himanshu Prafulchandra Purohit	12.89	12.89
2	Mr. Rajveer Kamal Aggarwal	11.72	11.72
Independent Director			
1	Mr. Devendra Raj Kumar Mangla	N.A.	N.A.
2	Mr. Lalit Devidutt Chaudhary	N.A.	N.A.
3	Ms. Neelu Atulkumar Shah	N.A.	N.A.
4	Mr. Samir Chandrakant Patel	N.A.	N.A.
5	Mr. Bharat Chunilal Shah	N.A.	N.A.

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

- II. The % increase in remuneration of Director, CFO, CS or Manager if any for the financial year ending March 31, 2021:

Sr. No.	Name	% Increase over last FY
Chairman and Managing Director		
1	Mr. Kamalkumar Rajendra Aggarwal	22.97%
Deputy Managing Director		
1	Mr. Navdeep Naresh Goyal	20.85%
Whole-time Director and Chief Financial Officer		
1	Mr. Rajesh Chimanlal Gandhi	22.22%
Whole-time Director		
1	Mr. Himanshu Prafulchandra Purohit	22.22%
2	Mr. Rajveer Kamal Aggarwal	0.00%
Company Secretary		
1	Mr. Shahilkumar M. Kapatel	42.60%
Independent Director		
1	Mr. Devendra Raj Kumar Mangla	N.A.
2	Mr. Lalit Devidutt Chaudhary	N.A.
3	Ms. Neelu Atulkumar Shah	N.A.
4	Mr. Samir Chandrakant Patel	N.A.
5	Mr. Bharat Chunilal Shah	N.A.

Annexure III to Directors' Report (Contd.)

III. The % increase in the median remuneration of employees in the financial year ending March 31, 2021:

In the financial year, there was an increase of 1.77% in the median remuneration of employees.

IV. The number of permanent employees on the rolls of the Company as on March 31, 2021:

There were 193 permanent employees on the rolls of the Company as on March 31, 2021.

V. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.

Average percentile increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 11.58 % whereas the increase/decrease in managerial remuneration for the financial year 2020-21 was 20.96%.

Justification: Increase in remuneration of the Managing Director and Whole time Directors decided based on the individual performance, inflation, prevailing industry trends and benchmarks. However, in 2020-21, the variable pay was significantly higher leading to Increase in total remuneration.

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

PART (B) - Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2021.

a. Details of Top Ten Employees in terms of Remuneration drawn during the Financial Year ended March 31, 2021:

Sr. No.	Name of Employee	Designation	Remuneration (₹ In Lacs)	Nature of Employment	Qualification	Experience in Years	Date of commencement of Employment	Age in Years	The Last Employment held before joining the Company	% of Equity share held
1	Mr. Kamalkumar Rajendra Aggarwal	Chairman and Managing Director	290.00	Permanent	Diploma in petrochemical technology (plastic technology)	25	19/01/2004	58	First Employment	26.42%
2	Mr. Navdeep Naresh Goyal	Deputy Managing Director	314.00	Permanent	Higher secondary examinations	10	01/04/2015	31	First Employment	6.48%
3	Mr. Rajesh Chimanlal Gandhi	Whole-time Director and Chief Financial Officer	26.40	Permanent	Bachelor's degree in commerce	22	19/01/2004	50	First Employment	NIL
4	Mr. Himanshu Prafulchandra Purohit	Whole-time Director	26.40	Permanent	Master's degree in science in inorganic chemistry	22	19/01/2004	48	First Employment	NIL
5	Mr. Rajveer Kamal Aggarwal	Whole-time Director	24.00	Permanent	Bachelor's degree in chemical engineering	5	01/10/2017	26	First Employment	6.91%
6	Mr. Pramod Laxman Mokul	Manager Production	14.44	Permanent	BE – Chemical	7	01/01/2014	46	Paushak Ltd.	NIL
7	Mr. Ashish Babubhai Luhar	Manager Production	13.99	Permanent	B.SC. – Chemical, M.SC. – Chemical	10	05/08/2011	46	Cadila Healthcare Ltd.	NIL

Annexure III to Directors' Report (Contd.)

Sr. No.	Name of Employee	Designation	Remuneration (₹ In Lacs)	Nature of Employment	Qualification	Experience in Years	Date of commencement of Employment	Age in Years	The Last Employment held before joining the Company	% of Equity share held
8	Mr. Jalpa Maneklal Chauhan	Manger Marketing	12.37	Permanent	BCA, MBA – Marketing	6	08/04/2015	32	Prakash Chemicals International Private Ltd.	NIL
9	Mr. Priyank Kaushikbhai Soni	Manager EHS	12.21	Permanent	B.SC. - Chemical, PDIS & PDETM	6	02/01/2015	43	Anchor Electricals Pvt. Ltd. (Panasonic Group)	NIL
10	Mr. Parth Atulkumar Soni	Manger Marketing	12.16	Permanent	M.Sc. – BIOTECHNOLOGY, MBA - MARKETING	4	03/04/2017	32	Prakash Chemicals International Private Ltd.	NIL

- b. Details of every Employee, who was employed throughout the Financial Year, was in receipt of Remuneration for that year which, in the aggregate, was not less than One Crore Two lakh Rupees : **Not Applicable**
- c. Details of every Employee, who was employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh fifty thousand Rupees per Month : **Not Applicable**
- d. Details of every Employee, who was employed throughout the Financial Year or part thereof, was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent of the Equity Shares of the Company: **Not Applicable**
- e. Details of Employees posted and working in a country outside India, not being Directors or their relatives, drawing more than Sixty lakh Rupees per Financial Year or Five lakh Rupees per month, as the case may be during the Financial Year 2020-21: **Not Applicable**

For and on behalf of the Board of Directors
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal

Chairman & Managing Director

DIN: 00139199

Place: Vadodara

Date: August 09, 2021

Annexure IV to Directors' Report

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	: U24231GJ1988PLC011652
2	Name of the Company	: Chemcon Speciality Chemicals Limited
3	Registered Office Address	: Block No. 355, Manjusar-Kunpad Road, Village:Manjusar, Taluka:Savli, Dist: Vadodara – 391775
4	Website	: www.cscpl.com
5	E-mail -Id	: investor.relations@cscpl.com
6	Financial Year reported	: Financial Year 2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	: Manufacturing of Specialised Chemicals NIC20119 - Manufacture of organic and inorganic chemical compounds
8	List of three key products that the Company manufactures (as per Balance sheet)	: (1) Hexamethyl Disilazane (2) Chloromethyl Isopropyl Carbonate (3) Calcium Bromide Liquid
9	Total number of locations where business activity is undertaken by the Company	: The Company have seven operational plants of which three plants are dedicated to the manufacturing of HMDS and ancillary products (including one plant dedicated to the manufacturing of hi-purity HMDS), two plants are dedicated to the manufacturing of CMIC and two plants dedicated to the manufacturing of Oilwell Completion Chemicals, along with three warehouses for the storage of the products and raw materials. All the above plants are located at Manjusar, Vadodara. Further, the Company have three leased warehouses located outside the Manufacturing Facility, in Manjusar, Vadodara. The Corporate Office of the Company is owned by the Company and is located in Vadodara and sales and marketing offices of the Company are located in Hyderabad and Mohali, which are on a leasehold basis.
10	Markets served by the Company	: The Company supply its products to domestic customers and also export its products to countries including United States of America, Italy, South Korea, Germany, People's Republic of China, Japan, United Arab Emirates, Serbia, Russia, Spain, Thailand and Malaysia.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	: 3,663.07 Lacs
2	Total Turnover (INR)	: 24,348.72 Lacs
3	Profit After Taxes (INR)	: 5,639.82 Lacs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	: Company's total spending on CSR for the Financial Year 2020-21 is 17.12 Lacs which is 0.30% of Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred	: a) Eradicating hunger b) Rural development c) Livelihood enhancement projects d) Skill Development e) Promoting Education f) Healthcare

Annexure IV to Directors' Report (Contd.)

SECTION C: OTHER DETAILS

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

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a.	Details of the Director/Director responsible for implementation of the Business Responsibility Policy	a	DIN Number	00139199
		b	Name	Kamalkumar Rajendra Aggarwal
		c	Designation	Chairman & Managing Director
b.	Details of the Business Responsibility head	a	DIN Number	00139199
		b	Name	Kamalkumar Rajendra Aggarwal
		c	Designation	Chairman & Managing Director
		d	Telephone Number	+91 265 2981195
		e	Email ID	investor.relations@cscpl.com

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

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

Sr. No.	Principles
1.	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3.	Businesses should promote the well-being of all employees
4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
5.	Businesses should respect and promote Human Rights
6.	Business should respect, protect and make efforts to restore the environment
7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8.	Businesses should support inclusive growth and equitable development
9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Annexure IV to Directors' Report (Contd.)

(a) Details of Compliances

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

Annexure IV to Directors' Report (Contd.)

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

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

3. Governance related to Business Responsibility

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes, the policy relating to ethics, bribery and corruption cover only the Company, the directors and employees of the Company and all its functions and its plants. No, it does not extend to the Group / Joint Venture / Suppliers, etc. However, the Company encourages all the stakeholders associated with it to follow the principles envisaged in the policy.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2020-21.

Annexure IV to Directors' Report (Contd.)

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

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(1) Hexamethyl Disilazane (2) Chloromethyl Isopropyl Carbonate (3) Calcium Bromide Liquid
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management Systems.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company always endeavor for sustainable sourcing by giving preference to local vendors. The Company strive to source the manpower, raw material suppliers, transporters and other vendors locally to the extent possible.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	While the criteria for selection of goods and services is quality, reliability and price, the Company gives preference to the manufacturers and service providers located near-by. The Company provides feedback to them to improve their quality in compliance with Company's requirement, enhance capacity and capability particularly in the areas of manufacturing, fabrication, safety, health and environment.
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The manufacturing processes of the products of the Company creates zero waste hence, the requirement to recycle the waste does not arise.

Annexure IV to Directors' Report (Contd.)

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	The Company had 193 permanent employees as on March 31, 2021.		
2.	Total number of employees hired on temporary/ contractual/casual basis	Total number of employees hired on temporary / contractual / casual basis during the Financial Year 2020-21 is 150.		
3.	Number of permanent women employees.	The Company had 5 permanent women employees as on March 31, 2021.		
4.	Number of permanent employees with disabilities	The Company had 2 permanent employees with disabilities as on March 31, 2021.		
5.	Do you have an employee association that is recognised by management	No, the Company does not have any employee association.		
6.	What percentage of your permanent employees is members of this recognised employee association?	Not Applicable.		
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the Financial Year:			
	S. No.	Category	No. of Complaints filed during the Financial Year	No of Complaints pending as at the end of Financial Year
	1	Child Labour / Forced Labour / Involuntary Labour	-	-
	2	Sexual Harassment	-	-
	3	Discriminatory Employment	-	-
8.	Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?			
	S. No.	Employees Category	Employees imparted safety training	Employees imparted skill up-gradation training
	a.	Permanent Employees	88%	88%
	b.	Permanent Women Employees	-	-
	c.	Casual/Temporary/Contractual Employees	-	-
d.	Employees with Disabilities	100%	100%	

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

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

Annexure IV to Directors' Report (Contd.)

Principle 5: Businesses should respect and promote Human Rights

1.	Does the policy of the Company on Human Rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company follows its policy on Human Rights which are applicable to the Company. The Company is committed to the fundamental principles of human rights in all its operations.
2.	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints related to Human Rights during the Financial Year 2020-21.

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

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others	The policy related to Principle 6 covers only to the Company and its employees at all its offices and plant locations.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	The Company consciously conducts their activity which helps in preserving the environment and health of the society at large. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, re-cycling of products, wastewater discharges, solid and hazardous waste material handling, worker health and safety, developing required green belt around its plant and the investigation and remediation of contamination or other environmental restoration and it takes all such steps for conservation, enhancement and restoration of Bio-Diversity within its area of operations and ensure protection of species and flora and fauna and reduce the impact on Environment Bio- Diversity and climate change.
3.	Does the Company identify and assess potential environmental risks?	Yes. The Company identifies and assess potential environmental risk relating to its business, if any.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No project was undertaken by the Company related to Clean Development Mechanism during the Financial Year 2020-21.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company is continuously improving its energy efficiency and environmental Performance.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes. The effluents, emissions and wastes generated at the manufacturing facilities of the Company are within the permissible limits given by respective Pollution Control Board.
7.	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	No show cause / legal notices were received from CPCB/ SPCB during the Financial Year 2020-21.

Annexure IV to Directors' Report (Contd.)

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

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

Principle 8: Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Yes. The Company has adopted the CSR policy pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The details of the CSR projects undertaken by the Company is provided in the Annexure-II to the Directors Report
2.	Are the programmes/projects undertaken through / own foundation/external NGO/government structures/ any other organisation?	The programmes/projects are undertaken through in-house team.
3.	Have you done any impact assessment of your initiative?	The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically, to understand the impact of these programmes.
4.	What is your Company's direct contribution to community development projects amount in INR and the details of the project undertaken?	The Company spent ₹17.12 Lacs on various CSR initiatives during the Financial Year 2020-21, detailed in Annexure-II to the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community.

Annexure IV to Directors' Report (Contd.)

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

1.	What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?	No customer complaints/ consumer cases were received or are pending as on the end of the Financial Year 2020-21.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	The Company displays product information on the product label as mandated by the law.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at end of Financial Year? If so, provide details thereof, in about 50 words or so.	No such cases were filed by any stakeholder.
4.	Did the Company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
 Chairman & Managing Director
 DIN: 00139199

Place: Vadodara
 Date: August 09, 2021

Annexure V to Directors' Report

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

We have examined the compliance of conditions of Corporate Governance by **Chemcon Speciality Chemicals Limited** ('the Company') for the year ended March 31, 2021 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

This certificate neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

For **Kuldeep Bengani & Associates LLP**
Company Secretaries

Kuldeep Bengani

Partner

FCS No. :8049

C P No.: 8372

UDIN: F008049C000746567

Place: Vadodara
Date: August 06, 2021

Annexure VI to Directors' Report

Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the companies act, 2013 read with rule 8(3) of the companies (accounts) rules, 2014 is as under:

A. CONSERVATION OF ENERGY:

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

- (I) To achieve the above objectives the following steps are being undertaken by the Company:
- I. Continuous monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilisation, etc. on regular basis.
 - II. Increasing the awareness of energy saving within the organisation to avoid wastage of energy.
 - III. We have installed LEDs across all our plants and the air conditioning system of the plant works without the use of compressor.
 - IV. Installing energy efficient equipment's to ensure optimum utilisation of energy.
- (II). Steps taken by the Company for utilising alternate sources of energy: Not Applicable
- (III). Capital investment on energy conservation equipment: No additional investment is made during the year.

B. TECHNOLOGY ABSORPTION:

1.	Efforts in brief made towards technology absorption, adoption and innovation.	The Company upgraded many of its processes and operations by embracing new technology, using more efficient equipment and automation.
2.	Benefits derived as a result of the above efforts. e.g. product improvement, cost reduction, development, import substitution etc.	The above efforts have resulted in improvement in quality, increase in yield, and increase in output and decrease in manpower.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year)	The Company did not import any technology.
4.	The expenditure incurred on Research and Development	2020-2021 (₹ In Lacs)
	(a) Capital	19.93
	(b) Recurring	0.00
	(c) Total	19.93
	(d) Total R&D expenditure as a percentage of total sales.	0.08%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(1)	Total foreign exchange earnings and outgo	2020-2021 (₹ In Lacs)
	(i) Total foreign exchange outgo in terms of actual outflows	8015.39
	(ii) Total foreign exchange earned in terms of actual inflows	2,467.07

For and on behalf of the Board
Chemcon Speciality Chemicals Limited

Kamalkumar Rajendra Aggarwal
 Chairman & Managing Director
 DIN: 00139199

Place: Vadodara
 Date: August 09, 2021

Corporate Governance Report

For the year ended March 31, 2021

The Board present the Company's Report on Corporate Governance for the year ended March 31, 2021. This section on Corporate Governance forms part of the Annual Report to the shareholders. This report is given in terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

(i) Composition and Category of Directors

The Members of the Board of Directors of the Company bring in a wide range of skills and experience to the Board and they are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors including an Independent Woman Director. The Board of Directors as on March 31, 2021, comprised of ten (10) Directors, out of which five (5) were Executive Directors and five (5) Independent Directors including one (1) Women Director. The Chairman of the Company is an Executive Director.

As on March 31, 2021, the Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ('the Act') and the members on the Board are classified and categorised as under:

Sr. No.	Category	Name of Director
I.	Promoter and Executive Directors	Mr. Kamalkumar Rajendra Aggarwal <i>Chairman & Managing Director</i> Mr. Navdeep Naresh Goyal <i>Deputy Managing Director</i>
II.	Other Executive Directors	Mr. Rajesh Chimanlal Gandhi <i>Whole-time Director and Chief Financial Officer</i> Mr. Himanshu Prafulchandra Purohit <i>Whole-time Director</i> Mr. Rajveer Kamal Aggarwal <i>Whole-time Director</i>
III.	Non-Executive and Independent Directors	Ms. Neelu Atulkumar Shah Mr. Lalit Devidutt Chaudhary Mr. Samir Chandrakant Patel Mr. Devendra Raj Kumar Mangla Mr. Bharat Chunilal Shah

(ii) Board Meetings

During the Financial Year 2020-21, ten (10) Board Meetings were held on June 08, 2020, August 19, 2020, August 25, 2020, September 09, 2020, September 12, 2020, September 24, 2020, September 29, 2020, November 06, 2020, December 21, 2020 and February 12, 2021. The maximum gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of Listing Regulations, Section 173 of the Companies Act, 2013 and Secretarial Standard on Meeting of the Board of Directors.

Corporate Governance Report (Contd.)

The details of attendance of Directors at the Board Meetings held during the Financial Year 2020-21 and at the previous Annual General Meeting (31stAGM of the Company), number of Directorships and Committee positions as on March 31, 2021 and the Number of Shares held in the Company by the Directors as on March 31, 2021 are as under:

Name of the Director	No. of Board Meeting which the Director was entitled to attain	No. of Board Meetings Attended	Attendance at Last AGM	Number of Directorship in Board of Directors (Including position in this Company)		Number of Membership / Chairmanship in Committees (Including position in this Company)		Number of Shares held in the Company
				Member	Chairperson	Member	Chairperson	
Mr. Kamalkumar Rajendra Aggarwal	10	8	Yes	*2	1	1	-	96,77,080
Mr. Navdeep Naresh Goyal	10	10	Yes	1	-	-	-	**86,08,166
Mr. Rajesh Chimanlal Gandhi	10	10	Yes	2	-	1	-	-
Mr. Himanshu Prafulchandra Purohit	10	9	Yes	1	-	-	-	-
Mr. Rajveer Kamal Aggarwal	10	9	Yes	2	-	-	-	25,32,800
Ms. Neelu Atulkumar Shah	10	9	Yes	1	-	1	-	-
Mr. Lalit Devidutt Chaudhary	10	7	Yes	1	-	1	-	100
Mr. Samir Chandrakant Patel	10	8	Yes	1	-	1	-	-
Mr. Devendra Raj Kumar Mangla	10	2	No	1	-	-	-	-
Mr. Bharat Chunilal Shah	10	1	No	1	-	*2	2	-

Note:

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

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

Name of Director	Name of Listed Entity	Category of Directorship
Mr. Kamalkumar Rajendra Aggarwal	Chemcon Speciality Chemicals Limited	Promoter, Chairman & Managing Director
Mr. Navdeep Naresh Goyal	Chemcon Speciality Chemicals Limited	Promoter & Deputy Managing Director
Mr. Rajesh Chimanlal Gandhi	Chemcon Speciality Chemicals Limited	Whole-time Director and Chief Financial Officer
Mr. Himanshu Prafulchandra Purohit	Chemcon Speciality Chemicals Limited	Whole-time Director
Mr. Rajveer Kamal Aggarwal	Chemcon Speciality Chemicals Limited	Whole-time Director

Corporate Governance Report (Contd.)

Name of Director	Name of Listed Entity	Category of Directorship
Ms. Neelu Atulkumar Shah	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Lalit Devidutt Chaudhary	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Samir Chandrakant Patel	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Devendra Raj Kumar Mangla	Chemcon Speciality Chemicals Limited	Independent Director
Mr. Bharat Chunilal Shah	Chemcon Speciality Chemicals Limited	Independent Director

(iii) Disclosure of relationships between Directors inter-se

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

(iv) Board Procedure

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by way of circulation, as permitted by law, which is noted in the subsequent Board Meeting.

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

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

The draft minutes of the proceedings of the meetings of the Board/Committee(s) are circulated to all the members of the Board or Committee for their perusal within the stipulated time prescribed by Secretarial Standard on meeting of the Board of Directors. Comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The minutes are approved by the members of the Board/Committee(s) prior to the next meeting. The signed minutes are circulated to all the members of the Board or the Committee with the stipulated time prescribed by Secretarial Standard on meeting of the Board of Directors.

(v) Independent Directors

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

Based on the disclosures received from the Independent Directors, the Board of Directors of the Company confirms that the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are Independent of the management. Also, none of the Independent Directors of the Company have resigned before the expiry of his/her tenure.

Corporate Governance Report (Contd.)

(vi) Performance Evaluation

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Independent Directors and the same has been approved by the Board Directors. Independent Directors are evaluated based on parameters such as devotion of time and efforts, contributions at meetings, managing relationship, knowledge and skills, ethical standards of integrity and probity, independent judgment, maintaining confidentiality and adherence to applicable code of conduct of the Company.

(vii) Familiarisation program for Independent Directors

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

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

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

Sr No.	Nature of Skills / Expertise / Competencies	Mr. Kamalkumar Rajendra Aggarwal	Mr. Navdeep Naresh Goyal	Mr. Rajesh Chimanlal Gandhi	Mr. Himanshu Prafulchandra Purohit	Mr. Rajveer Kamal Aggarwal	Ms. Neelu Atulkumar Shah	Mr. Lalit Devidutt Chaudhary	Mr. Samir Chandrakant Patel	Mr. Devendra Raj Kumar Mangla	Mr. Bharat Chunilal Shah
1.	Industry Knowledge:										
	Knowledge on Company's Businesses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Policies and Culture (Including the Mission, Vision and Values of the Company)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Major risks / threats and potential opportunities and knowledge of the industry in which the Company operates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Behavioral Competencies/ Personal Attributes:										
	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Corporate Governance Report (Contd.)

Sr No.	Nature of Skills / Expertise / Competencies	Mr. Kamalkumar Rajendra Aggarwal	Mr. Navdeep Naresh Goyal	Mr. Rajesh Chimanlal Gandhi	Mr. Himanshu Prafulchandra Purohit	Mr. Rajveer Kamal Aggarwal	Ms. Neelu Atulkumar Shah	Mr. Lalit Devidutt Chaudhary	Mr. Samir Chandrakant Patel	Mr. Devendra Raj Kumar Mangla	Mr. Bharat Chunilal Shah
3.	Strategic Expertise:										
	Business Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
	Sales & Marketing	✓	✓	-	-	✓	✓	✓	✓	✓	-
	Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Forex Management	✓	✓	✓	-	✓	-	-	-	-	✓
	Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Decision Making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Technical Skill:										
	Financial and Management skills	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
	Legal expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technical / Professional skills and specialised	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Other Skills:										
	Decision making skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Communication skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Leadership skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Stakeholder Relations	✓	✓	✓	-	✓	-	-	-	-	-
	Risk Management Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

3. COMMITTEES OF BOARD OF DIRECTORS:

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

The Board has established the following statutory and non-statutory Committees:

(A) Audit Committee:

(i) Composition of Audit Committee

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

Corporate Governance Report (Contd.)

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

The Company Secretary of the Company acts as a Secretary to the Audit Committee.

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

(ii) Powers of Audit Committee

The Audit Committee shall have the authority to investigate into any matter in relation to the items specified its terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Company and seek information from any employee of the Company.

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

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

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

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

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

Corporate Governance Report (Contd.)

- d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications / modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 9. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
 10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
 11. Scrutiny of inter-corporate loans and investments;
 12. Valuation of undertakings or assets of the company, wherever it is necessary;
 13. Evaluation of internal financial controls and risk management systems;
 14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 16. Discussion with internal auditors of any significant findings and follow up there on;
 17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 20. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
 21. To review the functioning of the whistle blower mechanism;
 22. Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

Corporate Governance Report (Contd.)

23. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
24. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
27. Reviewing the utilisation of loans and/or advances from/investment by the Company in a subsidiary exceeding rupees 100 Crore or 10% of the asset size of such subsidiary, whichever is lower.

(iv) Meetings of Audit Committee and Attendance thereat

The Audit Committee met five times during the financial year ended March 31, 2021 on June 08, 2020, August 19, 2020, November 06, 2020, December 21, 2020 and February 12, 2021. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	June 08, 2020	August 19, 2020	November 06, 2020	December 21, 2020	February 12, 2021
Mr. Bharat Chunilal Shah	Chairman	-	-	-	-	-
Ms. Neelu Atulkumar Shah	Member	✓	✓	✓	✓	✓
Mr. Samir Chandrakant Patel	Member	✓	✓	✓	✓	✓
Mr. Kamalkumar Rajendra Aggarwal	Member	✓	✓	✓	-	✓

(B) Nomination and Remuneration Committee:**(i) Composition of Nomination and Remuneration Committee**

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

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

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

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

Corporate Governance Report (Contd.)

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

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

The Nomination and Remuneration Committee met two times during the financial year ended March 31, 2021 on August 19, 2020 and November 06, 2020. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	August 19, 2020	November 06, 2020
Mr. Lalit Devidutt Chaudhary	Chairman	✓	✓
Ms. Neelu Atulkumar Shah	Member	✓	✓
Mr. Bharat Chunilal Shah	Member	-	-

(iv) Performance evaluation criteria for Independent Directors

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

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

(C) Stakeholders' Relationship Committee:

(i) Composition of Stakeholders' Relationship Committee

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

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

Corporate Governance Report (Contd.)

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

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

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

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

The Stakeholders' Relationship Committee met two times during the financial year ended March 31, 2021 on November 06, 2020 and February 12, 2021. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	November 06, 2020	February 12, 2021
Mr. Bharat Chunilal Shah	Chairman	-	-
Mr. Lalit Devidutt Chaudhary	Member	✓	✓
Mr. Rajesh Chimanlal Gandhi	Member	✓	✓

(iv) Shareholders' Complaints

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

Details of shareholders' complaints during the Financial Year 2020-21 are as follows:

Number of shareholders' complaints received during the Financial Year	30
Number of complaints resolved during the Financial Year	30
Number of complaints not solved to the satisfaction of shareholders'	0
Number of complaints pending at the end of the Financial Year	0

(v) Name and designation of the compliance officer:

Mr. Shahilkumar Kapatel, Company Secretary & Compliance Officer.

Corporate Governance Report (Contd.)

(D) Risk Management Committee:

(i) Composition of Risk Management Committee

Pursuant to SEBI (Listing Obligation and disclosure Requirements) (Second Amendment) Regulations, 2021, the provisions of Regulation 21 of Listing Regulations are applicable to Company w.e.f. May 05, 2021. Accordingly, the Company has duly constituted Risk Management Committee on May 31, 2021 with the following members:

Sr.	Name of Committee Members	Designation
1.	Samir Chandrakant Patel	Chairperson
2.	Rajesh Chimanlal Gandhi	Member
3.	Himanshu Prafulchandra Purohit	Member

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

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

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(iii) Meetings of Risk Management Committee and Attendance thereat

The provisions of Regulation 21 of Listing Regulations pertaining to Risk Management Committee were not applicable to the Company during the Financial Year 2020-21 hence, in absence of Risk Management Committee, no meetings of the Committee were held during the Financial Year 2020-21.

(E) Corporate Social Responsibility Committee:

(i) Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises Mr. Navdeep Naresh Goyal as the Chairperson and Mr. Bharat Chunilal Shah and Mr. Devendra Raj Kumar Mangla as members of the Committee.

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

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

Corporate Governance Report (Contd.)

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

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

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

The Corporate Social Responsibility Committee met two times during the financial year ended March 31, 2021 on August 19, 2020 and January 21, 2021. The details of attendance of members in such meetings are as under:

Name of the Director	Designation	August 19, 2020	January 21, 2021
Mr. Navdeep Naresh Goyal	Chairman	✓	✓
Mr. Bharat Chunilal Shah	Member	-	-
Mr. Devendra Raj Kumar Mangla	Member	✓	✓

4. REMUNERATION OF DIRECTORS:

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

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees for attending Board and Committee meetings. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company. Independent Directors are currently entitled for sitting fees of ₹10,000/- for attending every Board Meeting and ₹ 5,000/- for attending every Committee Meeting. During the Financial Year the following sitting fees were accrued to the non-executive Directors:

Name of the Director	Designation	Sitting Fees for the Year 2020-21 (Amount in Lacs)
Ms. Neelu Atulkumar Shah	Independent Director	1.30
Mr. Lalit Devidutt Chaudhary	Independent Director	0.95
Mr. Samir Chandrakant Patel	Independent Director	1.20
Mr. Devendra Raj Kumar Mangla	Independent Director	0.35
Mr. Bharat Chunilal Shah	Independent Director	0.10

Corporate Governance Report (Contd.)

(B) Criteria of making payments to non-executive Directors

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

(C) Remuneration of Executive Directors

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

(₹ in Lacs)

Name of the Director	Designation	Salary & Allowances	Bonus	Perquisites	Contribution to Provident Fund	Contribution to Pension Fund	Variable Pay	Total
Mr. Kamalkumar Rajendra Aggarwal	Chairman & Managing Director	48.00	0.00	0.00	0.00	0.00	242.00	290.00
Mr. Navdeep Naresh Goyal	Deputy Managing Director	72.00	0.00	0.00	0.00	0.00	242.00	314.00
Mr. Rajesh Chimanlal Gandhi	Whole-time Director and Chief Financial Officer	26.40	0.00	0.00	0.20	0.00	0.00	26.60
Mr. Himanshu Prafulchandra Purohit	Whole-time Director	26.40	0.00	0.00	0.20	0.00	0.00	26.60
Mr. Rajveer Kamal Aggarwal	Whole-time Director	24.00	0.00	0.00	0.00	0.00	0.00	24.00

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

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

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

5. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

AGM for the Financial Year ended	Date of AGM	Time of Meeting	Location of Meeting	Special Resolution Passed in the Meeting
March 31, 2020	August 22, 2020	04:00 p.m.	Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka Savli, Dist. Baroda - 391775, Gujarat	NIL
March 31, 2019	June 14, 2019	04:00 p.m.	Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka Savli, Dist. Baroda - 391775, Gujarat	1. Change in Designation of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) to Managing Director 2. Change in Designation of Mr. Navdeep Naresh Goyal (DIN: 02604876) to Wholetime Director 3. Change in Designation of Mr. Rajveer Kamal Aggarwal (DIN: 07883896) to Whole-time Director

Corporate Governance Report (Contd.)

AGM for the Financial Year ended	Date of AGM	Time of Meeting	Location of Meeting	Special Resolution Passed in the Meeting
				4. Re-appointment of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director 5. Re-appointment of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as Whole-time Director 6. Approve power to borrow funds pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, not exceeding ₹ 800 crore 7. Approve the limits under Section 180 (1) (a) of the Companies Act, 2013, up to a sum of ₹ 800 crore 8. Approval of the limits for the loans and investment by the Company in terms of the provisions Section 186 of the Companies Act, 2013 9. Initial Public Offer of Equity Shares through a Fresh Issue of Equity Shares by the Company and an Offer for Sale by certain Shareholder(s) of the Company 10. Increase in investment limits for Non-Resident Indian or Overseas Citizen of India
March 31, 2018	September 29, 2018	03:30 p.m.	Block No. 355, Manjusar-Kunpad Road, Village Manjusar, Taluka Savli, Dist. Baroda - 391775, Gujarat	NIL

No Special Resolution was passed through Postal Ballot by the Company during the Financial Year 2020-21. Further, no Special Resolution is proposed to be conducted through Postal Ballot as on the date of this report.

6. MEANS OF COMMUNICATION:

Pursuant to provisions of the Listing Regulations, the quarterly results along with the limited review report of the Company are submitted to the Stock Exchange and are normally published in English Language in National Daily Newspaper "Business Standard" circulating in substantially the whole of India and in Gujarati Language in "Loksatta Jansatta".

The financial results of the Company are displayed on the Company's website at www.cscpl.com. The website also displays official press releases, investor presentations and other statutory and business information.

7. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting for the financial year 2020-21:

Day & Date	Tuesday, September 28, 2021
Time	11:00 a.m. (IST)
Deemed Venue	Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka: Savli, Dist.: Vadodara-391 775, Gujarat
Mode	Through Video Conference / Other Audio Visual Means ('VC' / 'OAVM')
Cut-off Date	Tuesday, September 21, 2021
Book Closure	From Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive)

Corporate Governance Report (Contd.)

Financial Year:

The Company follows the Financial Year starting from April 01 to March 31.

Financial Calendar:

The tentative timelines for considering and reporting the quarterly financial results of the Company for the Financial Year 2021-22 are as follows:

Quarter	Results for the Quarter ending	Tentative Time of Reporting
First Quarter	June 30, 2021	On or before August 14, 2021
Second Quarter	September 30, 2021	On or before November 14, 2021
Third Quarter	December 31, 2021	On or before February 14, 2022
Fourth Quarter	Audited Annual Accounts for the year ending March 31, 2022	On or before May 30, 2022

Dividend:

The Board has not recommended dividend for the year ended March 31, 2021.

Listing on Stock Exchanges:

The detail of listing of Equity Shares of the Company are as follows:

Sr. No.	Name of Stock exchange	Address of Stock Exchange	Listing Date	Stock Code	ISIN Number
1.	BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	October 01, 2020	543233	INE03YM01018
2.	National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	October 01, 2020	CHEMCON	INE03YM01018

The annual listing fee for the Financial Year 2021-22 is paid to both the Stock Exchanges at which the securities of the Company are listed. Further, the Securities of the Company have not been suspended from trading during the Financial Year 2020-21.

Market Price Data of Equity Shares:

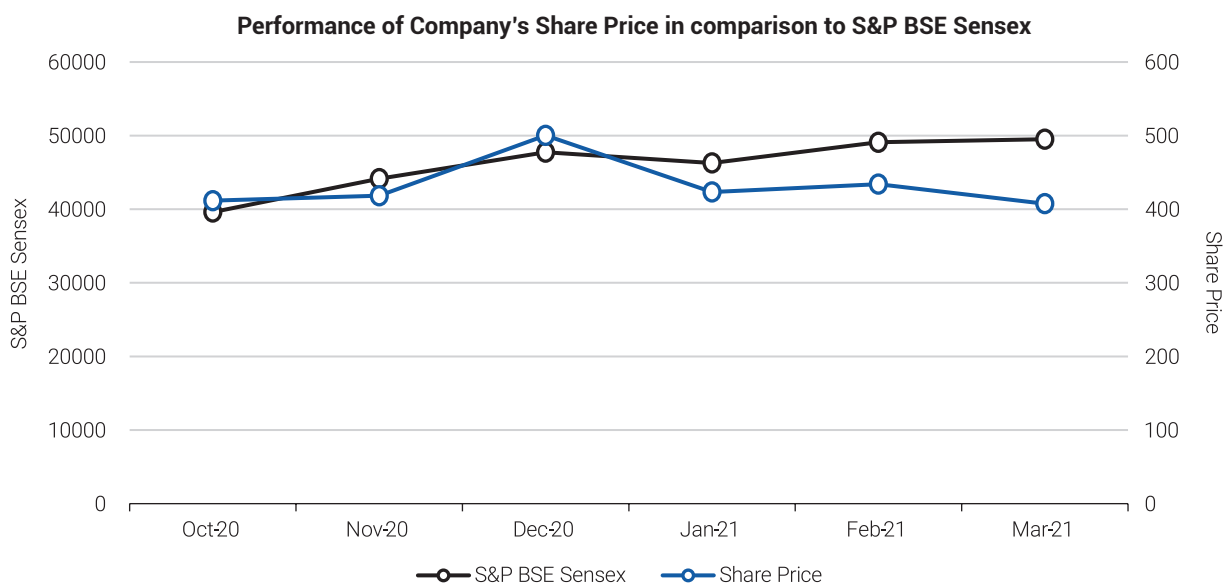
The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on October 01, 2020. The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended March 31, 2021 are as under:

Month	BSE			NSE		
	High Price	Low Price	No. of Shares (In Lacs)	High Price	Low Price	No. of Shares (In Lacs)
Oct-20	743.80	398.05	48.21	731.25	398.00	430.10
Nov-20	455.85	410.00	8.21	456.00	412.15	65.12
Dec-20	511.70	400.00	15.95	511.90	400.05	167.74
Jan-21	536.00	421.20	16.29	535.90	420.00	157.10
Feb-21	469.90	421.35	7.22	469.80	420.85	54.73
Mar-21	455.35	398.00	7.26	456.00	401.05	45.75

Corporate Governance Report (Contd.)

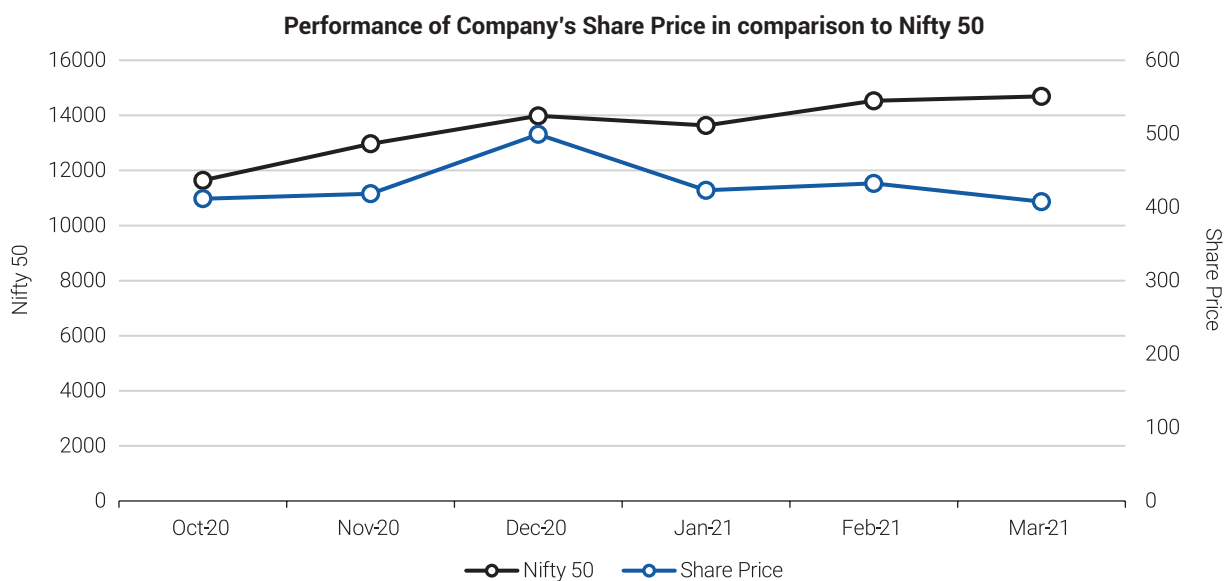
Performance of Company's Share Price in comparison to S&P BSE Sensex:

Month	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Share Price (Close)	411.65	418.40	500.30	423.45	434.05	407.50
S&P BSE Sensex (Close)	39614.07	44149.72	47751.33	46285.77	49099.99	49509.15



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

Month	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Share Price (Close)	411.60	418.30	499.15	423.00	432.45	407.55
Nifty 50 (Close)	11642.40	12968.95	13981.75	13634.60	14529.15	14690.70



Corporate Governance Report (Contd.)

Registrar and Share Transfer Agent:

The Company has appointed M/s. Link Intime India Private Limited as its Registrar and Share Transfer Agent to maintain the Register of Shareholders/ Members of the Company and to carry out the share transfer work on behalf of the Company. The investors can reach out to Link Intime India Private Limited at below mentioned contact details:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, 86 Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India
 Tel. No.: 022-49186000 • Fax No.: 022-49186060 • Email: mumbai@linkintime.co.in

Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. All share transfers and other share-related issues shall be approved by Stakeholders' Relationship Committee and processed by the Registrar and Share Transfer Agent of the Company. Share transfer shall normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted. No physical transfer of shares of the Company were executed during the Financial Year 2020-21.

Distribution of Shareholding:

The distribution of Shareholding as on March 31, 2021 is as follows:

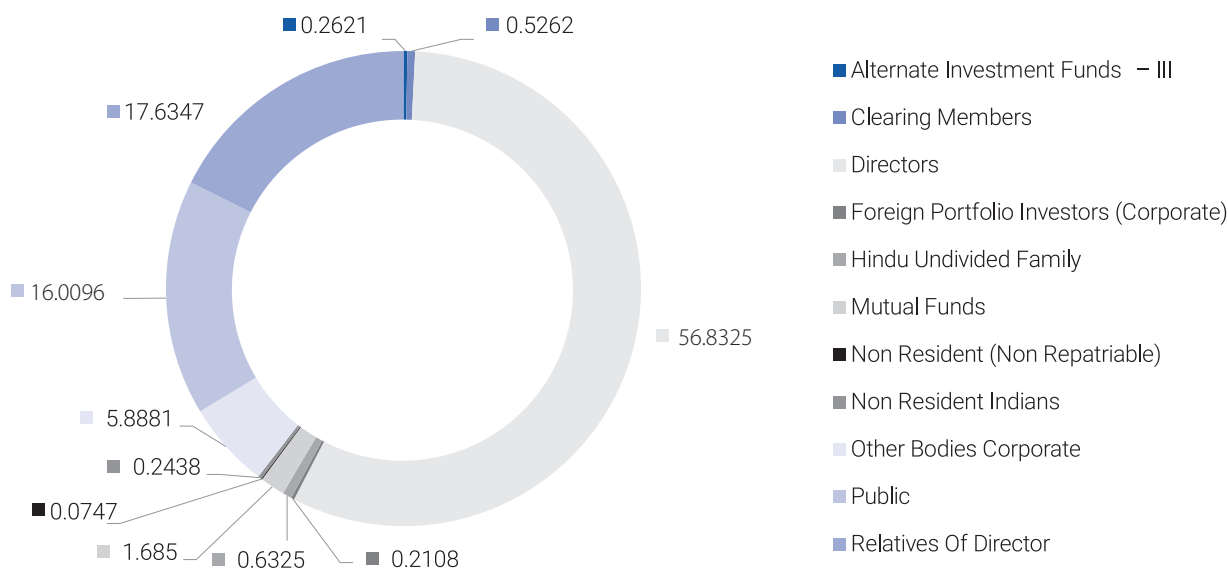
Holding	Shareholders		Shares	
	Number	%	Number	%
1 - 500	85168	98.3589	4348976	11.8725
501 – 1000	847	0.9782	655171	1.7886
1001 - 2000	345	0.3984	508504	1.3882
2001 – 3000	99	0.1143	252779	0.6901
3001 – 4000	36	0.0416	129135	0.3525
4001 – 5000	22	0.0254	101799	0.2779
5001 – 10000	43	0.0497	334000	0.9118
10001 and above	29	0.0335	30300337	82.7184
Total	86589	100.0000	36630701	100.0000

Categories of Shareholders:

Categories of Shareholders as on March 31, 2021 is as follows:

Sr. No.	Category	No. of Shares	No. of Holders	% of holding
1.	Alternate Investment Funds – III	95,996	1	0.2621
2.	Clearing Members	1,92,736	192	0.5262
3.	Directors	2,08,18,146	5	56.8325
4.	Foreign Portfolio Investors (Corporate)	77,210	2	0.2108
5.	Hindu Undivided Family	2,31,688	1,705	0.6325
6.	Mutual Funds	6,17,242	4	1.6850
7.	Non Resident (Non Repatriable)	27,372	200	0.0747
8.	Non Resident Indians	89,302	478	0.2438
9.	Other Bodies Corporate	21,56,859	149	5.8881
10.	Public	58,64,436	83,849	16.0096
11.	Relatives Of Director	64,59,714	4	17.6347
TOTAL		3,66,30,701	86,589	100.0000

Corporate Governance Report (Contd.)

**Dematerialisation of Equity Shares and Liquidity:**

As on March 31, 2021, 100.00% of the total Shares of the Company representing 3,66,30,701 shares were held in dematerialised form through National Securities Depository Limited and Central Depository Services (India) Limited.

Global Depository Receipts / American Depository Receipts / Warrants / Convertible Instruments:

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

Disclosure for Commodity price risk or foreign exchange risk and hedging activities:

During the Financial Year 2020-21, the Company had managed the foreign exchange risk to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 36.2(A)2 to the Financial Statement. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

Plant Locations:

The Company's manufacturing operations are based at Manufacturing Facility located at Manjusar, near Vadodara City in the state of Gujarat. The Manufacturing Facility, comprising of individual operational plants, is located on one plot of land, which is owned by the Company. The Manufacturing Facility comprises of seven individual operational plants, which are dedicated towards the manufacture of specific products.

Address for Correspondence:**Chemcon Speciality Chemicals Limited**

The Company Secretary
Block No. 355, Manjusar-Kunpad Road, Village: Manjusar, Taluka:Savli, District: Vadodara,
Gujarat – 391775. Email id: investor.relations@cscpl.com • Website: www.cscpl.com

Credit Ratings:

During the Financial Year 2020-21, the Company had a Long-Term Rating of CRISIL BBB+/Stable by CRISIL Limited. The Credit Rating Letter is also available on the website of the Company, at, <https://www.cscpl.com/other-shareholder-information.php>

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

During the Financial Year 2020-21, there were no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Related party transactions during the year have been disclosed as part

Corporate Governance Report (Contd.)

of Financial Statements as required under Indian Accounting Standard issued by the Institute of Chartered Accountants of India. The Audit Committee reviews these transactions and the transactions executed with the related party(ies) were in the ordinary course of business and on arm's length basis. The Policy on Related Party Transactions has been uploaded on the website of the Company, at <https://www.cscpl.com/policies.html>

Details of Non-compliance:

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

Whistle Blower Policy

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

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

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

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance as specified in regulation 17 to 27 and clauses(b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.

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

- The Company follows a robust process of communicating with the shareholders which have been elaborated in this Report under the heading "Means of Communication".
- The Audit Report on the Company's Financial Statements for the year ended March 31, 2021 is unmodified.
- The Internal Auditors reports directly to the Audit Committee.

Policy for Material Subsidiaries:

In accordance with the provisions of the Listing Regulations, the Company has duly formulated policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. There were no Material Subsidiaries of the Company during the Financial Year 2020-21. The policy for Material Subsidiaries has been placed on the website of the Company, at, <https://www.cscpl.com/policies.html>

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

The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year 2020-21.

Initial Public Offer (IPO):

During the period under review, the Company had successfully made its Initial Public Offer (IPO) of 93,52,941 equity shares at ₹ 340 (including a share premium of ₹ 330) per equity shares of ₹ 10 each which includes a fresh issue of 48,52,941 equity shares of ₹ 10 each for raising funds for the Company aggregating to ₹ 16,500 lacs and Offer for Sale of 45,00,000 equity shares of the Promoter and Promoter Group shareholders having face value of ₹ 10 each. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on October 01, 2020.

The IPO proceeds were utilized as per the objects stated in the prospectus of the Company and pursuant to Regulation 32 of the Listing Regulations there was no deviation/variation in utilization of funds raised in respect of the Initial Public Offering of the Company.

Corporate Governance Report (Contd.)

Certificates from Company Secretary in Practice:

The Certificate pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations received from M/s. Kuldeep Bengani & Associates LLP, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such Statutory Authority is enclosed with this Report.

Management Discussion and Analysis:

The detailed Management Discussion and Analysis are given as a separate section in this Annual Report.

Chief Executive Officer & Chief Financial Officer Certification:

The annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations from the Managing Director and Chief Financial Officer is enclosed with this Report.

Dividend Distribution Policy

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

Recommendations of the Committees

All the mandatorily required recommendations made by the Committees of Board during the Financial Year 2020-21 were accepted and approved by the Board.

Total Fees to Statutory Auditors

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

(₹ in Lacs)

Payment to Statutory Auditors	Financial Year 2020-21
Statutory Audit Fees	6.00
Limited Review	1.00
Certification Fees	0.75
Other Certification and Reports – Related to IPO	9.00
Total	16.75

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

The Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee to consider and resolve all complaints relating to sexual harassment to its women employees at workplace. The Company has taken various initiatives to ensure a safe and healthy workplace for its women employees. The Company has also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaint of sexual harassment during the Financial Year 2020-21.

Demat Suspense Account – Unclaimed Suspense Account:

The Company does not have any unclaimed shares and hence the disclosure pursuant to SEBI (LODR) Regulations are not applicable.

9. CODE OF CONDUCT:

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

Corporate Governance Report (Contd.)

ANNEXURE - I

DIVIDEND DISTRIBUTION POLICY

PREAMBLE

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

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

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

DIVIDEND DISTRIBUTION PHILOSOPHY

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

DIVIDEND

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

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

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

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

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

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

INTERIM AND FINAL DIVIDEND

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

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

- Distributable surplus available with the Company;
- Company's liquidity position and future cash flow needs;
- Track record of dividend distribution of the Company;
- Dividend payout ratios of the comparable companies;

Corporate Governance Report (Contd.)

- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations / covenants of loan agreements;
- Macroeconomic and business conditions in general; and
- Any other relevant factors that the Board may deem fit to consider before recommending / declaring Dividend.

UTILISATION OF RETAINED EARNINGS

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

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

Modification of the Policy

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

Corporate Governance Report (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Chemcon Speciality Chemicals Limited**, having CIN U24231GJ1988PLC011652 and having registered office at Block No. 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

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

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

For **Kuldeep Bengani & Associates LLP**
Company Secretaries

Kuldeep Bengani
Partner
FCS No. :8049
C P No.: 8372
UDIN: F008049C000746149

Place: Vadodara
Date: August 06, 2021

Corporate Governance Report (Contd.)

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

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Mr. Kamalkumar Rajendra Aggarwal, Chairman and Managing Director of Chemcon Speciality Chemicals Limited, hereby declare and affirm that, the members of board of directors and senior management personnel of the Company have affirmed compliance with the code of conduct of board of directors and senior management, as applicable to them, for the financial year ended March 31, 2021.

Mr. Kamalkumar Rajendra Aggarwal

Chairman and Managing Director

DIN: 00139199

Date: May 31, 2021

Place: Vadodara

Corporate Governance Report (Contd.)

COMPLIANCE CERTIFICATE

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

- A. We have reviewed the financial statements and the cash flow statement for the Financial Year ended March 31, 2021 and to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee –
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mr. Kamalkumar Rajendra Aggarwal

Managing Director

Date: May 31, 2021

Place: Vadodara

Rajesh Chimanlal Gandhi

Chief Financial Officer

Independent Auditor's Report

To the Members of

Chemcon Speciality Chemicals Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Chemcon Speciality Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditor's Report (Contd.)

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditor's Report (Contd.)

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts as at March 31, 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Neela R. Shah
Partner

Membership No. 045027
UDIN: 21045027AAAADS6991

Place: Vadodara
Date: May 31, 2021

Annexure A to the Independent Auditor's Report

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Chemcon Speciality Chemicals Limited)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included under Property plant and equipment are held in the name of the Company.
- ii. The Inventories except for goods-in-transit have been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
- iii. 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 and therefore, reporting under clause (iii) (a) to clause (iii) (c) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, Goods and Services tax, duty of customs, duty of excise, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, Goods and Services tax, duty of customs, duty of excise, cess and any other statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of income tax, value added tax, sales tax, duty of customs, duty of excise and Goods and services tax which have not been deposited.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The company has not taken any loans from Government and has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, moneys raised by way of initial public offer (other than amounts temporarily invested pending utilisation of the funds for the stated use) and term loans were prima facie applied for the purposes for which those were raised. The Company has not raised any money by way of further public offer (including debt instruments).

Annexure A to the Independent Auditor's Report (Contd.)

- x. To the best of our knowledge and according to information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause (xv) of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

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

Neela R. Shah
Partner
Membership No. 045027
UDIN: 21045027AAAADS6991

Place: Vadodara
Date: May 31, 2021

Annexure B to the Independent Auditor's Report

(referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Chemcon Speciality Chemicals Limited)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT").

We have audited the internal financial controls with reference to financial statements of **CHEMCON SPECIALITY CHEMICALS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure B to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has in all material respect, an adequate internal financial control system with reference to financial statements and such internal financial control with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering essential components of Internal control stated in the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Neela R. Shah
Partner
Membership No. 045027
UDIN: 21045027AAAADS6991

Place: Vadodara
Date: May 31, 2021

Balance Sheet

as at March 31, 2021

(₹ in lacs)			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
Non-Current Assets			
a) Property, Plant & Equipment	3.1	6,547.08	4,741.99
b) Capital Work-in-Progress		853.77	374.19
c) Right-Of-Use Assets	3.2	141.96	133.22
d) Intangible Assets	3.3	1.69	2.00
e) Financial Assets			
i) Other Financial Assets	4	4,029.96	47.79
f) Other Non-Current Assets	5	332.77	24.03
Total Non- Current Assets		11,907.22	5,323.23
Current Assets			
a) Inventories	6	5,897.15	4,807.52
b) Financial Assets			
i) Trade Receivables	7	9,477.28	8,894.68
ii) Cash and Cash Equivalents	8.1	2,436.00	107.36
iii) Bank Balances Other than ii) above	8.2	9,748.94	1,302.85
iv) Other Financial Assets	9	399.78	137.96
c) Current Tax Assets (net)	16.6	56.96	206.37
d) Other Current Assets	10	435.21	1,799.24
Total Current Assets		28,451.31	17,255.99
TOTAL ASSETS		40,358.53	22,579.22
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	3,663.07	3,177.78
b) Other Equity	12	31,706.26	11,459.15
Total Equity		35,369.33	14,636.93
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13	182.44	1,459.93
ii) Lease Liabilities	14	106.10	82.18
b) Non current Provisions	15	15.94	5.56
c) Deferred Tax Liabilities (Net)	16.7	168.40	225.70
Total Non- Current Liabilities		472.88	1,773.36
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	-	2,867.48
ii) Trade Payables	18		
-Total outstanding dues of micro and small enterprises		59.36	387.20
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,199.25	2,185.03
iii) Other Financial Liabilities	19	1,643.74	450.09
iv) Lease Liabilities	14	31.30	41.14
b) Other current Liabilities	20	275.88	237.74
c) Short term Provisions	21	0.65	0.25
d) Current Tax Liabilities (Net)	16.5	306.14	-
Total Current Liabilities		4,516.32	6,168.93
TOTAL EQUITY AND LIABILITIES		40,358.53	22,579.22

The accompanying Notes form an integral part of the Financial Statements

As per report of even date

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

Neela R. Shah
 Partner
 Membership No. 045027

 Place: Vadodara
 Date: May 31, 2021

 For and on behalf of the Board of Directors
Chemcon Speciality Chemicals Ltd.
Kamal Aggrawal
 Chairman & Managing Director
 DIN: 00139199

Rajesh Gandhi
 Chief Financial Officer & Director
 DIN: 03296784

Navdeep Goyal
 Deputy Managing Director
 DIN: 02604876

Shahilkumar Kapatel
 Company Secretary
 ACS : 52211

Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
I Revenue from Operations	22	24,348.72	26,205.16
II Other Income	23	463.53	396.50
III Total Income (I+II)		24,812.25	26,601.66
IV Expenses			
Cost of Materials Consumed	24	11,304.78	15,337.07
Changes in inventories of finished goods and work-in-progress	25	511.94	(446.35)
Employee Benefit expenses	26	1,588.97	1,404.97
Finance costs	27	363.31	468.43
Depreciation and Amortisation expenses	28	607.62	461.96
Other expenses	29	2,830.05	2,883.33
Total expenses (IV)		17,206.68	20,109.41
V Profit before tax (III-IV)		7,605.57	6,492.25
VI Tax Expense:	16		
a) Current tax			
- Current tax		1,956.90	1,637.98
- Taxes for earlier years		1.47	3.08
b) Deferred Tax (Credit)/Charge		7.38	(34.06)
Total tax expense (VI)		1,965.75	1,607.00
VII Profit for the year (V-VI)		5,639.82	4,885.25
VIII Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of Gains/(Losses) on defined benefit Plans		(6.98)	65.03
Deferred tax		1.76	(16.37)
Other Comprehensive Income(expense)/ income, Net of Tax (VIII)		(5.23)	48.66
IX Total Comprehensive Income for the year (VII+VIII)		5,634.59	4,933.91
X Earnings Per Equity Share	38		
a) Basic (₹)		16.48	15.37
b) Diluted (₹)		16.48	15.37

The accompanying Notes form an integral part of the Financial Statements

As per report of even date

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

Neela R. Shah
Partner
Membership No. 045027

Place: Vadodara
Date: May 31, 2021

For and on behalf of the Board of Directors
Chemcon Speciality Chemicals Ltd.

Kamal Aggrawal
Chairman & Managing Director
DIN: 00139199

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Navdeep Goyal
Deputy Managing Director
DIN: 02604876

Shahilkumar Kapatel
Company Secretary
ACS : 52211

Statement of Changes in Equity

For the year ended March 31, 2021

A. Equity Share Capital

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Equity Share Capital		
Balance at the beginning of the year	3,177.78	3,177.78
Changes during the year (Refer Note no : 40)	485.29	-
Balance at the end of the year	3,663.07	3,177.78

B. Other Equity

(₹ in lacs)

Particulars	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earning	
Balance as at April 1, 2019	-	6,525.24	6,525.24
Profit for the Year	-	4,885.25	4,885.25
Re-measurements of Defined Benefit Plans (Net of Tax)	-	48.66	48.66
Balance as at March 31, 2020	-	11,459.15	11,459.15
Profit for the Year	-	5,639.82	5,639.82
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(5.23)	(5.23)
Premium on public issue of shares (Refer Note 40)	16,014.71	-	16,014.71
Share issue expenses (Refer Note 40)	(1,465.10)	-	(1,465.10)
Deferred Tax on Share issue expenses	62.92	-	62.92
Balance as at March 31, 2021	14,612.52	17,093.74	31,706.26

The accompanying Notes form an integral part of the Financial Statements

As per report of even date

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

Neela R. Shah
Partner
Membership No. 045027

Place: Vadodara
Date: May 31, 2021

For and on behalf of the Board of Directors
Chemcon Speciality Chemicals Ltd.
Kamal Aggrawal
Chairman & Managing Director
DIN: 00139199

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Navdeep Goyal
Deputy Managing Director
DIN: 02604876

Shahilkumar Kapatel
Company Secretary
ACS : 52211

Statement of Cash Flows

For the year ended March 31, 2021

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	7,605.57	6,492.25
Adjustment for:		
Depreciation and Amortisation expense	550.18	429.32
Depreciation on Right of use assets	57.44	32.64
(Profit)/ Loss on assets sold	5.12	5.58
Finance Cost	363.31	468.43
Interest received from Banks/ Others	(325.68)	(79.80)
Expected Credit Loss Allowance	3.64	8.90
Unrealised exchange rate difference (net)	(18.50)	(120.82)
Operating Profit before Working Capital Changes	8,241.08	7,236.51
Adjustment for:		
Change in Trade receivables	(573.98)	(2,371.56)
Change in Other Non-current financial assets	(2.16)	3.75
Change in Other current financial assets	(261.82)	(3.40)
Change in Other assets	998.09	(893.75)
Change in Inventories	(1,089.62)	(216.13)
Change in Trade payables	(307.37)	(314.35)
Change in Other financial liabilities	1,014.60	(703.34)
Change in Other current liabilities and provisions	41.93	179.46
Cash generated from Operations	8,060.74	2,917.19
Less : Income tax paid/(Refund) (including TDS) (net)	1,557.76	1,721.48
Net Cash generated from Operating Activities (A)	6,502.98	1,195.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(3,185.84)	(1,561.31)
Short-term bank deposit	(8,446.09)	(212.25)
Term deposits with maturity more than 12 months	(3,980.00)	-
Sale proceeds of Property, Plant & Equipment	37.45	126.90
Interest received from Banks/ Others	325.68	79.80
Net Cash used in Investing Activities (B)	(15,248.80)	(1,566.86)

Statement of Cash Flows

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(292.74)	(438.34)
Transaction Cost Incurred for IPO	(1,099.16)	(240.37)
Proceeds from issue of Shares	16,500.00	-
Proceeds/(Repayment) of Short term Borrowings	(2,867.48)	(106.28)
Proceeds of Long term Borrowings	30.00	1,395.92
(Repayment) of Long term Borrowings	(1,128.44)	(149.39)
Payments of interest portion of lease liabilities	(15.63)	(8.86)
Payments of principal portion of lease liabilities	(52.09)	(42.56)
Net Cash used in Financing Activities (C)	11,074.46	410.12
Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	2,328.64	38.97
Cash & Cash Equivalents at the beginning of the year	107.36	68.39
Cash & Cash Equivalents at the end of the year (Refer Note : 8.1)	2,436.00	107.36

The accompanying Notes form an integral part of the Financial Statements

a) Cash and cash equivalents comprises of :-

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks	2,431.15	102.27
Cash on hand	4.86	5.09
	2,436.00	107.36

As per report of even date

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

Neela R. Shah
Partner
Membership No. 045027

Place: Vadodara
Date: May 31, 2021

For and on behalf of the Board of Directors
Chemcon Speciality Chemicals Ltd.

Kamal Aggrawal
Chairman & Managing Director
DIN: 00139199

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Navdeep Goyal
Deputy Managing Director
DIN: 02604876

Shahilkumar Kapatel
Company Secretary
ACS : 52211

Notes to the Financial Statements

For the year ended March 31, 2021

1. COMPANY INFORMATION

Chemcon Speciality Chemicals Limited ('the Company') is a Public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is registered with the ROC, Gujarat, Dadra and Nagar Haveli at Ahmedabad under having Corporate Identification number (CIN) U24231GJ1988PLC011652. The Registered office of the Company is located at Block No 355, Manjusar Kunpad Road Vill: Manjusar, Tal: Salvi Baroda Gujarat.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation and Statement of compliance

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

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

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

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

2.2. Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

2.3. Property Plant and Equipment (PPE)

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

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

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

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

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

Description	Years
Building other than Factory Building	60
Building Others (including temporary structure, etc.)	3
Factory Building	30
Plant & Machinery	15
Storage Tank	20
Laboratory Equipment	10
Computers	3
Factory Road	10
Electrical Installations and Equipment	10
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

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

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

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

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

2.4. Intangible Assets and Amortisation

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

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

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

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

2.5. Non-Current Assets held for Sale

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

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

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

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

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

2.6. Impairment of tangible assets and intangible assets

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

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

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

2.7. Inventories

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

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

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

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

2.8. Revenue recognition

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

Sale of Products and Services

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

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

Interest Income:

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

Export Incentives and Other Income:

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

Insurance Claim:

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

2.9. Leases

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

The Company as a Lessee:

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

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

term leases) and low value leases. For these short-term and low value leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

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

2.10. Foreign Currency Transactions

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

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

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

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

2.11. Employee Benefits

Short-term employee Benefits

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

Post-Employment Benefits and Other Long Term Employee Benefits

Defined contribution plans

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

Defined benefit plans

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

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

Other long-term employee benefits

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

Remeasurements:

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income
- Past service cost is recognised in profit or loss on the earlier of:
 - The date of the plan amendment or curtailment, and
 - The date that the Company recognises related restructuring cost

2.12. Taxes on Income

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

(i) Current tax

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

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

(ii) Deferred tax

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

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

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

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

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

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

(iii) **Current and deferred tax expense for the year / period**

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

2.13. Borrowing Costs

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

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

2.14. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

2.15. Financial Instruments

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

Effective interest method

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

(i) Financial assets

Cash and bank balances

Cash and bank balances consist of:

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

Financial assets at amortised cost

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

Financial assets measured at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

De-recognition of financial assets

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

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

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

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

De-recognition of financial liabilities

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

Offsetting Financial Instruments

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

2.16. Earnings per share

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

2.17. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

2.18. Cash And Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

2.19. Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organisation structure and the internal reporting systems.

2.20. Current / non current classification

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

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

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

All other assets are classified as non-current.

A liability is current when:

- It is Expected to be settled in normal operating cycle
- It is Held primarily for the purpose of trading
- is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash Equivalents. The Company has identified twelve months as its operating cycle.

2.21. Critical accounting judgements, assumptions and Key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

2.22. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 3.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognised in the Financial Statements.

a. **Determining whether an arrangement contain leases and classification of leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

b. **Evaluation of indicators for impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

2.23. Key sources of estimates and assumptions

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

a. **Defined benefit obligation (DBO)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

b. **Contingent Liabilities and Assets**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

c. **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

d. **Allowance for impairment of trade receivables**

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

3.1. PROPERTY, PLANT & EQUIPMENT

Particulars	Property, Plant & Equipment								(₹ in lacs)
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total	
Gross Carrying Amount									
As at April 1, 2019	342.02	1,199.08	3,193.65	170.26	791.07	118.69	33.40	5,848.18	
Additions during the year	-	165.72	847.41	18.98	302.93	11.88	2.08	1,349.00	
Disposal during the year	-	-	(100.88)	-	(129.70)	(0.82)	-	(231.40)	
As at March 31, 2020	342.02	1,364.81	3,940.18	189.24	964.30	129.75	35.48	6,965.78	
As at April 1, 2020	342.02	1,364.81	3,940.18	189.24	964.30	129.75	35.48	6,965.78	
Additions during the year	1,283.65	325.50	697.52	37.50	38.23	11.87	2.95	2,397.23	
Disposal during the year	-	-	(130.66)	-	(17.45)	(0.65)	-	(148.76)	
Deletion / Adjustment during the year	-	(0.00)	(18.43)	-	(45.05)	-	(13.86)	(77.33)	
As at March 31, 2021	1,625.67	1,690.31	4,488.62	226.73	940.04	140.97	24.57	9,136.91	
Depreciation									
As at April 1, 2019	-	132.07	1,354.57	64.09	229.89	85.79	27.54	1,893.95	
Provided for the year	-	33.80	259.92	14.26	108.13	9.83	2.81	428.75	
Disposal during the year	-	-	(10.57)	-	(88.21)	(0.14)	-	(98.92)	
As at March 31, 2020	-	165.87	1,603.92	78.35	249.81	95.48	30.35	2,223.78	
As at April 1, 2020	-	165.87	1,603.92	78.35	249.81	95.48	30.35	2,223.78	
Provided for the year	-	67.27	338.62	16.55	114.18	10.40	2.55	549.57	
Disposal during the year	-	-	(93.46)	-	(16.94)	(0.61)	-	(111.01)	
Deletion/Adjustment during the year	-	0.00	(16.29)	-	(42.91)	-	(13.31)	(72.51)	
As at March 31, 2021	-	233.14	1,832.79	94.90	304.14	105.26	19.59	2,589.83	
Net Carrying Amount									
As at March 31, 2020	342.02	1,198.94	2,336.25	110.89	714.49	34.27	5.13	4,741.99	
As at March 31, 2021	1,625.67	1,457.17	2,655.83	131.83	635.89	35.71	4.98	6,547.08	

Notes:

a) Refer note 17 & 13 for information on property, plant and equipment given as security.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

3.2. RIGHT-OF-USE ASSETS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Gross Carrying Amount	165.87	-
Addition during the year	66.18	165.87
Deductions during the year	-	-
Closing Gross Carrying Amount	232.05	165.87
Opening Depreciation/amortisation	32.64	-
Amortisation charged during the year	57.44	32.64
Reversal of depreciation during the year	-	-
Closing Depreciation/amortisation	90.08	32.64
Net Carrying Value	141.96	133.22

3.3. INTANGIBLE ASSETS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
-Computer Software		
Opening Gross Carrying Amount	2.81	2.81
Addition during the year	0.31	-
Deductions during the year	-	-
Closing Gross Carrying Amount	3.11	2.81
Opening Depreciation/amortisation	0.81	0.24
Amortisation charged during the year	0.61	0.57
Reversal of depreciation during the year	-	-
Closing Depreciation/amortisation	1.42	0.81
Net Carrying Value	1.69	2.00

4. OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Security deposits for utilities and premises	49.96	47.79
Bank deposits, with Remaining maturity with more than 12 months (Earmarked) *	3,781.00	-
Bank deposits, with Remaining maturity with more than 12 months	199.00	-
Total	4,029.96	47.79

* The Company has Lien above deposits with the bank as margin money for Working capital facility and Term Loan.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

5. OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Capital Advances	332.77	24.03
Total	332.77	24.03

6. INVENTORIES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at lower of Cost and net Realisable value)		
Raw Materials	4,072.56	2,581.80
Goods in Transit (Raw Materials)	436.49	315.46
Packing Material	20.44	28.31
Work-in-progress	466.53	490.89
Finished goods	804.63	1,331.63
Goods in Transit (Finished goods)	55.49	16.08
Other (Fuel)	2.96	3.10
Consumables and Stores	38.04	40.26
Total	5,897.15	4,807.52

Refer note 17 for information on Inventories given as security.

7. TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Trade Receivables considered good - Secured	-	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit impaired	-	-
Unsecured		
Considered good	9,477.28	8,894.68
Which have significant increase in credit Risk	12.55	8.90
Total	9,489.82	8,903.58
Less: Allowance for expected credit losses (Refer Note 7.1)	12.55	8.90
Total	9,477.28	8,894.68

1) Refer note 17 for information on Trade Receivables given as security.

2) Above trade receivables include amount due from related parties ₹ 22.01 Lacs (March 31, 2020: ₹ 103.11 Lacs) - Refer Note 34.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

7.1. Movement in Expected Credit Loss Allowance :

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	8.90	-
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	3.64	8.90
Balance at end of the year	12.55	8.90

8. CASH AND CASH EQUIVALENTS & OTHER BANK BALANCES

8.1. Cash & Cash Equivalents

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Banks:		
- In Current Accounts	2.27	34.29
- In Cash Credit Accounts	2,428.87	-
- In Exchange earners' foreign currency account (EEFC) Account	-	67.98
Cash in hand	4.86	5.09
Sub-Total (A)	2,436.00	107.36

8.2. Other Bank Balances

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Short-term bank deposit(Earmarked) *	7,064.91	1,302.65
Short-term bank deposit	2,684.03	0.20
Sub-Total (B)	9,748.94	1,302.85
Total (A+B)	12,184.94	1,410.21

* The Company has Lien above deposits with the bank as margin money for Bank guarantee, Working capital facility, Term Loan and Letter of Credit.

9. OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Other Receivables	2.72	133.65
Interest Accrued on Deposits	238.06	4.31
Security Deposits	159.00	-
Total	399.78	137.96

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

10. OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Advances to suppliers	285.83	694.62
Advances to Employees	1.12	2.18
Balances with Revenue Authorities	91.51	673.43
Prepaid Expenses	56.74	56.94
Transaction costs of an equity transaction (Refer Note 10.1)	-	365.94
Gratuity #	-	6.13
Total	435.21	1,799.24

Refer Note 32.2 - Defined benefit plans.

10.1 Transaction costs of an equity transaction

Under Ind AS 32, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. During the year 2019-20, Since the company had not received proceeds from issue of share capital as at year ended March 31, 2020, the company had accounted transaction costs of an equity transaction under the head "Other current assets".

The company has received the proceeds from issue of share in the reporting period as on September 29, 2020, the total transaction costs of an equity transaction amounting to ₹ 1,465.10 Lacs to the proportion of shares offered by company adjusted with the Security premium under "Reserve & surplus" and ₹ 1,356.42 Lacs proportion of Equity Shares sold by the Selling Shareholders was recovered from Selling Shareholders.

11. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Capital		
As at March 31, 2021 : 500 Lacs Equity Shares of ₹ 10/- each	5,000.00	5,000.00
As at March 31, 2020 : 500 Lacs Equity Shares of ₹ 10/- each		
Issued, Subscribed & Fully Paid-up Capital		
As at March 31, 2021 : 366.31 Lacs Equity Shares of ₹ 10/- each fully paid up (Refer Note 40)	3,663.07	3,177.78
As at March 31, 2020 : 317.78 Lacs Equity Shares of ₹ 10/- each fully paid up		
Total Share Capital	3,663.07	3,177.78

a) Reconciliation of the number of Equity shares

(No of shares in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Share Capital		
Balance at the beginning of the year	317.78	317.78
Add: Issued during the year		
-Fresh Issue (Refer Note 40)	48.53	-
Balance at the end of the year	366.31	317.78

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

b) Rights, Preferences & Restrictions of each class of shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date.

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

c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash during the period of five years immediately preceding the reporting date

The Company had allotted 238.33 Lacs number of fully paid Bonus shares on November 3, 2018 in the ratio of three equity share of ₹ 10 each fully paid up for every one existing equity shares of ₹ 10 each fully paid up.

d) Details of Equity Shareholders holding more than 5% shares in the company:

(No. of shares in Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	% of Holding	No. of Shares	% of Holding	No. of Shares
1 Kamal Aggarwal	26.42%	96.77	37.53%	119.27
2 Nareshkumar Goyal	8.29%	30.36	16.63%	52.86
3 Navdeep Goyal & Shubharangana Goyal *	17.02%	62.34	19.62%	62.34
4 Rajveer Aggarwal	6.91%	25.33	7.97%	25.33
5 Shubharangana Goyal	5.40%	19.79	6.23%	19.79
6 Navdeep Goyal	6.48%	23.75	7.47%	23.75
7 Plutus Wealth Management LLP	5.46%	20.00	0.00%	-
Total	75.98%	278.33	95.45%	303.33

* Joint Holding

12. OTHER EQUITY

(₹ in lacs)

Particulars	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at April 1, 2019	-	6,525.24	6,525.24
Profit for the Year	-	4,885.25	4,885.25
Re-measurements of Defined Benefit Plans (Net of Tax)	-	48.66	48.66
Balance as at March 31, 2020	-	11,459.15	11,459.15
Profit for the Year	-	5,639.82	5,639.82
Re-measurements of Defined Benefit Plans (Net of Tax)	-	(5.23)	(5.23)
Premium on public issue of shares (Refer Note 40)	16,014.71	-	16,014.71
Share issue expenses (Refer Note 40)	(1,465.10)	-	(1,465.10)
Deferred Tax on Share issue expenses	62.92	-	62.92
Balance as at March 31, 2021	14,612.52	17,093.74	31,706.26

A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

- C) **Securities Premium Reserve** : These reserves are created by the company on premium arising out of public issue adjusted against all issue related expenses. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

13. BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans:		
- From Banks	459.93	1,572.92
- From Financial institutions	25.28	10.72
	485.20	1,583.64
Less: Current	302.76	123.71
Total	182.44	1,459.93

13.1 The details of term loans from banks and financial institutions are as under.

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
1 HDFC Bank - Property Loan #		
Outstanding Amount	50.59	68.31
Current	19.97	17.72
Non-Current	30.62	50.59
Repayment terms		
Repayable in 120 equal monthly instalments		
Rate of interest 12% p.a.		
No. of Instalments due after balance sheet date	28.00	40.00
2 HDFC Bank - Vehicle loan*		
Outstanding Amount	-	7.24
Current	-	7.24
Non-Current	-	-
Repayment terms		
Repayable in 37 equal monthly instalments		
Rate of interest 8% p.a.		
No. of Instalments due after balance sheet date	-	8.00
3 HDFC Bank - Vehicle loan*		
Outstanding Amount	42.14	60.82
Current	20.23	18.68
Non-Current	21.91	42.14
Repayment terms		
Repayable in 60 equal monthly instalments		
Rate of interest 8% p.a.		
No. of Instalments due after balance sheet date	24.00	36.00

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
4 Daimler Financial Services India Pvt Ltd- Vehicle Loan*		
Outstanding Amount	-	10.72
Current	-	10.72
Non-Current	-	-
Repayment terms		
Repayable in 48 equal monthly instalments		
Rate of interest 8.81% p.a.		
No. of Instalments due after balance sheet date	-	10.00
5 HDFC Bank - Vehicle loan*		
Outstanding Amount	33.98	46.13
Current	13.22	12.15
Non-Current	20.76	33.98
Repayment terms		
Repayable in 60 equal monthly instalments		
Rate of interest 8.5% p.a.		
No. of Instalments due after balance sheet date	29.00	41.00
6 HDFC Bank - Vehicle loan*		
Outstanding Amount	10.14	17.51
Current	8.02	7.37
Non-Current	2.11	10.14
Repayment terms		
Repayable in 48 equal monthly instalments		
Rate of interest 8.5% p.a.		
No. of Instalments due after balance sheet date	15.00	27.00
7 HDFC Bank - Vehicle loan*		
Outstanding Amount	2.49	3.96
Current	1.62	1.47
Non-Current	0.87	2.49
Repayment terms		
Repayable in 48 equal monthly instalments		
Rate of interest 9.5% p.a.		
No. of Instalments due after balance sheet date	18.00	30.00
8 YES Bank - Vehicle loan*		
Outstanding Amount	81.67	130.02
Current	53.15	48.35
Non-Current	28.52	81.67
Repayment terms		
Repayable in 37 equal monthly instalments		
Rate of interest 9.11% p.a.		
No. of Instalments due after balance sheet date	18.00	30.00

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
9 Kotak Mahindra Prime Ltd - Vehicle loan*		
Outstanding Amount	25.28	-
Current	9.56	-
Non-Current	15.72	-
Repayment terms		
Repayable in 60 monthly instalments		
Rate of interest variable		
No. of Instalments due after balance sheet date	54.00	-
10 HDFC Bank - Term Loan @		
Outstanding Amount	238.92	1,238.92
Current	176.99	-
Non-Current	61.93	1,238.92
Repayment terms		
60 months including 18 months of moratorium [interest - By way of 60 monthly instalments; Principal -By way of 14 quarterly instalments post moratorium period]		
Rate of interest variable		
No. of quarterly Instalments due after balance sheet date	3.00	14.00
Total Borrowings	485.20	1,583.64
Current	302.76	123.71
Non-Current	182.44	1,459.93

Nature of securities:

#HDFC Bank - Property Loan secured byway of Equitable Mortgage of property.

*All vehicle loans secured by way of Hypothecation such vehicles.

@ HDFC Bank - Term Loan : 1st Exclusive charge by the way of lien over fixed Deposits upto 110% of the limit amount parked with HDFC Bank Ltd.

14. LEASE LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current:		
Lease Liabilities (Refer Note 39)	106.10	82.18
	106.10	82.18
Current:		
Lease Liabilities (Refer Note 39)	31.30	41.14
	31.30	41.14

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

15. NON CURRENT PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
-Gratuity	10.23	-
-Unavailed Leave	5.70	5.56
Total	15.94	5.56

16. CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

16.1. Income tax expense recognised in the Statement of Profit and Loss:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Current tax		
Current tax on profit for the year	1,956.90	1,637.98
Adjustments for current tax of prior periods	1.47	3.08
Total current tax expense	1,958.37	1,641.06
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	12.33	(36.95)
Decrease (Increase) in deferred tax assets	(4.95)	2.89
Total deferred tax expense (benefit)	7.38	(34.06)
Income tax expense	1,965.75	1,607.00

16.2. Income tax expense recognised in the other comprehensive income:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
ii) Deferred tax		
Remeasurement gain (loss) on defined benefit plans	(1.76)	16.37
Total deferred tax expense (benefit)	(1.76)	16.37

16.3. Income tax expense recognised in the other Equity:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
ii) Deferred tax		
On Share Issue Expenses	(62.92)	-
Total deferred tax expense (benefit)	(62.92)	-

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

16.4. The Income Tax Expense for the Year can be Reconciled to the Accounting Profit as Follows:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1 Profit before tax	7,605.57	6,492.25
2 Income tax rate (%) applicable to the Company	25.17%	25.17%
3 Income tax expense calculated	1,914.17	1,633.97
Expenses not allowed in Income Tax	46.94	18.06
Effect on deferred tax due to the change in income tax rate	-	(58.10)
Effect of recognition of Prior year tax	9.58	3.08
Other Adjustments	(4.94)	9.99
4 Total effect of tax adjustments	51.58	(26.97)
5 Income Tax recognised in Statement of Profit and Loss (3+4)	1,965.75	1,607.00
6 Effective tax Rate	25.85%	24.75%

16.5. Current tax liabilities

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Income tax (paid)/Refund (including Advance Tax,TDS,TCS) (Net)	(1,705.76)	-
Income tax payable for the year	2,011.90	-
Income tax provision of earlier years	-	-
Net current income tax liabilities at the end	306.14	-

16.6. Current tax assets

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	206.37	147.18
Income tax (paid)/Refund (including Advance Tax,TDS,TCS) (Net)	(148.01)	1,721.48
Income tax payable for the year	-	(1,659)
Income tax provision of earlier years	(1.41)	(3.08)
Net current income tax assets at the end	56.96	206.37

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

16.7. Deferred tax liabilities/(assets)

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability		
Temporary difference in the carrying amount of property, plant and equipment	242.26	229.93
Expenses allowed on payment basis	-	-
Net Deferred Tax Liability (A)	242.26	229.93
Deferred Tax Asset		
Lease Transaction	2.85	0.56
Provision for doubtful debts	3.16	2.24
Expenses allowed on payment basis	4.18	(0.08)
On Account of Preliminary Expenses	63.68	1.51
Net Deferred Tax Assets(B)	73.86	4.23
Net Deferred Tax Liability/(Assets) (A-B)	168.40	225.70

16.8. Movement in deferred tax Liabilities/(assets)

The movement in deferred tax balances for the year ended March 31, 2021 is as follows:

(₹ in lacs)

Particulars	Net balance April 1, 2020	Recognised in statement of profit and loss	Recognised in OCI Equity	Net deferred tax asset/liability as at March 31, 2021
Deferred tax liability (gross)				
Temporary difference in the carrying amount of property, plant and equipment	229.93	12.33	-	242.26
Expenses allowed on payment basis	-	-	-	-
Total deferred tax liabilities(A)	229.93	12.33	-	242.26
Deferred Tax Asset (gross)				
Lease Transaction	0.56	2.29	-	2.85
Provision for doubtful debts	2.24	0.92	-	3.16
Expenses allowed on payment basis	(0.08)	2.50	1.76	4.18
On Account of Preliminary Expenses	1.51	(0.76)	-	0.76
On Account of Share Issue Expenses	-	-	62.92	62.92
Total deferred tax assets (B)	4.23	4.95	64.68	73.86
Net Deferred Tax Liability/(Assets) (A-B)	225.70	7.38	(64.68)	168.40

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

The movement in deferred tax balances for the year ended March 31, 2020 is as follows:

(₹ in lacs)

Particulars	Net balance April 1, 2019	Recognised in Statement of profit and loss	Recognised in OCI Equity	Net deferred tax asset / liability as at March 31, 2020
Deferred tax liability (gross)				
Temporary difference in the carrying amount of property, plant and equipment	266.88	(36.95)	-	229.93
Total deferred tax liabilities(A)	266.88	(36.95)	-	229.93
Deferred Tax Asset (gross)				
Lease Transaction	-	0.56	-	0.56
Provision for doubtful debts	-	2.24	-	2.24
On Account of Preliminary Expenses	2.98	(1.47)	-	1.51
Expenses allowed on payment basis	20.51	(4.22)	(16.37)	(0.08)
Total deferred tax assets (B)	23.49	(2.89)	(16.37)	4.23
Net Deferred Tax Liability/(Assets) (A-B)	243.39	(34.06)	16.37	225.70

17. BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans from banks		
Working Capital Loans	-	2,866.88
Sub-Total (A)	-	2,866.88
Unsecured		
From Directors and Others	-	0.60
Sub-Total (B)	-	0.60
Total (A+B)	-	2,867.48

Rate of interest on working capital loans

1 Year MCLR+ 1.85%

Nature of security :

HDFC Bank Cash Credit Account, working capital demand loan, Buyer Credit Loan and Export Packing Credit Loan is secured against First and exclusive hypothecation charge on all the current assets of the company & entire fixed asset (Both movable and Immovable assets) of the company both present and future. Extension of Charge on the property located at 901 & 902, 9th Floor, ONYX Business Center, Akshar Chowk - Baroda -390020 . There is personal guarantee of promoter directors.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

18. TRADE PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Total outstanding dues of micro and small enterprises (Refer Note 41)	59.36	387.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,199.25	2,185.03
Total	2,258.60	2,572.22

1) Above trade payables include amount due to related parties ₹ 22.57 Lacs (March 31, 2020: ₹ 60.98 Lacs) - Refer Note 34

19. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long term Borrowings(Refer Note 13)	302.76	123.71
Creditor for capital goods	1,057.75	96.35
Salary & Wages Payable	242.99	219.42
Other expenses Payable	40.24	10.61
Total	1,643.74	450.09

20. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	4.61	182.49
Statutory dues	178.05	55.25
CSR to be deposited in Fund (Refer note 37(c))	93.22	-
Total	275.88	237.74

21. SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
-Gratuity	0.39	-
-Unavailed Leave	0.26	0.25
Total	0.65	0.25

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

22. REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products	22,560.56	24,427.08
Sale of Services	1,762.15	1,680.05
Revenue from contracts with customers	24,322.71	26,107.13
Other Operating Revenues		
Export Incentive	21.88	79.26
Other	4.13	18.77
Total	24,348.72	26,205.16

Refer note 33 for geographical disaggregation of the revenue.

23. OTHER INCOME

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets carried at amortised cost		
- Deposits with bank	325.68	79.80
Net gain on Foreign Currency Transactions	40.32	314.51
Other Non-operating Income	97.53	2.19
Total	463.53	396.50

24. COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials and packing materials consumed		
Inventory at the beginning of the year	2,925.57	3,140.89
Add: Purchase	12,908.71	15,121.74
Less: Inventory at the end of the year	4,529.49	2,925.57
Total cost of Materials Consumed	11,304.78	15,337.07

25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock		
Finished goods	1,347.71	545.93
Work-in-progress	490.89	846.31
Sub- Total (A)	1,838.59	1,392.24
Less: Closing Stock		
Finished goods	860.12	1,347.71
Work-in-progress	466.53	490.89
Sub- Total (B)	1,326.65	1,838.59
Net (A-B)	511.94	(446.35)

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

26. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and bonus	1,509.17	1,306.13
Contribution to provident and other funds	55.62	48.68
Staff welfare expenses	24.18	50.16
Total	1,588.97	1,404.97

27. FINANCE COSTS

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	276.09	298.18
Interest on Lease Liabilities	15.63	8.86
Interest on others *	62.05	29.79
Other Borrowing Cost	9.53	131.61
Total	363.31	468.43

* Interest on others include interest on shortfall in payment of advance income-tax ₹ 55 Lacs (PY ₹ 21.23 Lacs)

28. DEPRECIATION AND AMORTISATION

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation		
- On Property Plant & Equipment	549.57	428.75
- On Right to Use Assets	57.44	32.64
Amortisation		
- Of Intangible assets	0.61	0.57
Total	607.62	461.96

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

29. OTHER EXPENSES

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- DIRECT EXPENSES		
Consumable Stores	158.26	138.78
Custom Duty	250.53	417.38
Import Expenses	131.57	282.10
Freight Inward	88.20	107.32
Power Charges	367.74	280.52
Fuel Consumption	356.34	215.57
Repairs & maintenance - Machinery	27.45	76.97
Factory & Godown Expense	49.35	38.74
Jobwork Charges	23.13	190.39
Electrical Expenses	11.20	15.77
Security Service Expense	15.40	14.78
Laboratory & Testing Expense	12.68	13.94
Lifting Charges	130.73	30.57
Sub- Total (A)	1,622.59	1,822.85
- SELLING, MARKETING & DISTRIBUTION EXPENSES		
Freight Outward	259.36	215.09
Export Expense	72.42	176.70
Travelling & Conveyance	2.35	78.63
Exhibition Exp	(0.50)	46.14
Sales Commission	288.99	28.27
Other Selling, Marketing & Distribution expenses	2.72	1.40
Sub- Total (B)	625.35	546.23
- ADMINISTRATIVE & OTHER EXPENSES		
Legal and Professional Expense	104.59	107.79
Insurance Expense	72.90	84.42
Insurance Claim Written off	55.67	-
Petrol & Vehicle Expense	23.79	41.24
Transportation for employees	29.65	22.29
Repairs & Maintenance - Other	60.00	56.73
Rent Expense	30.33	47.50
Donation	12.83	24.51
Contribution to CSR	110.33	17.45
Director Sitting Fees	3.90	5.45
Loss on disposal of Assets (Net)	5.12	5.58
Payments to the Statutory Auditors	7.75	3.00
Impairment and write off	3.64	32.02
Rates & Taxes	1.28	2.65
Other Administrative Expenses	60.33	63.62
Sub- Total (C)	582.11	514.25
Net (A+B+C)	2,830.05	2,883.33

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

30. COMMITMENTS AND CONTINGENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liability		
a) Claims against the Company/ disputed demands not acknowledged as debt:-		
- Excise	3.50	3.50
- GST	23.38	23.38
b) Letters of Credit issued for purchase of Raw Materials	-	500.32
Commitments		
Estimated amount of contracts remaining to be executed and not provided for (net of advances):	560.47	61.32

31. PAYMENT TO AUDITORS

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
For Audit Fees	6.00	3.00
For Limited Review Fees	1.00	-
For Certification Fees *	9.75	17.50
Total	16.75	20.50

* Certification fees for year ended March 31, 2020 has been shown as "transaction costs of an equity transaction" under the head "Other Current Assets" in Note 10 (including ₹ 6 Lacs paid to previous auditors).

32. EMPLOYEE BENEFIT PLANS

32.1 Defined contribution plans

Contribution are made to statutory provident fund which covers all regular employees. While both the employees and the company make predetermined contributions to the Provident fund. The contributions are normally based on a certain percentage of the employee's salary.

The Company has recognised expenses towards defined contribution plan as under:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to provident fund	34.52	29.39

32.2 Defined benefit plans

The Company has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its review.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(A) Gratuity (Funded)

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
I Expenses recognised in the Statement of Profit and Loss:		
Current Service Cost	10.08	7.14
Past service Cost	-	-
Net Interest Cost	(0.31)	3.67
Expenses recognised during the year	9.76	10.81
II Expenses recognised in other comprehensive income (OCI)		
Actuarial(gain)/losses on obligation for the period	6.75	(65.53)
Return on Plan Assets, Excluding Interest Income	0.24	0.50
Net (Income)/Expenses For the year Recognised in OCI	6.98	(65.03)
III Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
As at the beginning of the year	52.69	104.75
Current service cost	10.08	7.14
Interest Cost	3.42	7.12
Past service Cost	-	-
Benefit paid from the fund	(2.63)	(0.79)
Actuarial losses/(gains)	6.75	(65.53)
As at the end of the year	70.31	52.69
IV Movement in net liability recognised in Balance Sheet		
As at the beginning of the year - (liability)/Asset	6.13	(59.05)
Expenses recognised during the year in Statement of Profit and Loss	(9.76)	(10.81)
Expenses recognised during the year in OCI	(6.98)	65.03
Contributions made	-	10.96
As at the end of the year - (liability)/Asset	(10.62)	6.13
-Current	(0.39)	-
-Non-Current	(10.23)	6.13
V Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof:		
As at the beginning of the year	58.81	45.69
Interest Income	3.74	3.45
Contributions made	-	10.96
Benefit paid from the fund	(2.63)	(0.79)
Return on Plan Assets, Excluding Interest Income	(0.24)	(0.50)
As at the end of the year	59.68	58.81
VI Net (Liability) recognised in the balance sheet		
Present Value of Benefit Obligations at the end of the year	(70.31)	(52.69)
Fair Value of Plan Assets at the end of the year	59.68	58.81
Net (Liability)/Asset recognised in the Balance Sheet	(10.62)	6.13

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
VII Return on Plan Assets		
Expected return on plan assets	3.74	3.45
Actuarial (loss)/gain	(0.24)	(0.50)
Actuarial return on plan assets	3.50	2.95
VIII The major categories of plan assets as a percentage of total plan assets		
Insurer Managed Funds	100%	100%
IX Principal actuarial assumptions		
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate	6.50%	6.80%
Attrition Rate	1 to 5%	1 to 5%
Salary Escalation Rate	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Employee benefit plan typically exposes the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

Maturity Analysis :

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit payable in future years from the date of reporting		
1st Following Year	2.56	3.48
2nd Following Year	2.66	2.49
3rd Following Year	3.61	1.91
4th Following Year	3.05	2.61
5th Following Year	5.61	1.42
Sum of Years 6 To 10	26.86	24.86

Sensitivity Analysis :

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation on Current Assumptions		
+1% Change in Rate of Discounting	63.44	47.73
-1% Change in Rate of Discounting	78.36	58.46
+1% Change in Rate of Salary Increase	78.24	58.39
-1% Change in Rate of Salary decrease	63.41	47.70
+1% Change in Rate of Employee Turnover	70.19	52.66
-1% Change in Rate of Employee Turnover	70.43	52.72

(B) Leave encashment

The leave obligations cover the Company's liability for earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance below. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
I Expenses recognised in the Statement of Profit and Loss:		
Current Service Cost	2.58	3.83
Interest Cost	0.38	0.20
Actuarial losses/(gains)	0.00	(1.11)
Expenses recognised during the year	2.97	2.92

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
III Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
As at the beginning of the year- (liability)/Asset	(5.81)	(2.99)
Current service cost	(2.58)	(3.83)
Interest Cost	(0.38)	(0.20)
Benefit paid	2.81	0.10
Actuarial (losses)/gains	(0.00)	1.11
As at the end of the year- (liability)/Asset	(5.97)	(5.81)
- Current	(0.26)	(0.25)
- Non-Current	(5.70)	(5.56)

Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation on Current Assumptions		
+1% Change in Rate of Discounting	5.25	5.16
-1% Change in Rate of Discounting	6.85	6.60
+1% Change in Rate of Salary Increase	6.83	6.59
-1% Change in Rate of Salary Decrease	5.24	5.15
+1% Change in Rate of Employee Turnover	5.95	5.82
-1% Change in Rate of Employee Turnover	5.99	5.82

33. SEGMENT REPORTING

The Company's operations falls under single segment namely "Manufacturing of Specialised Chemicals", taking into account the risks and returns, the organisation structure and the internal reporting systems.

Segment revenue from "Manufacturing of Specialised Chemicals" represents revenue generated from external customers which is attributable to the Company's country of domicile i.e. India and external customers outside India as under:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from:		
Revenue from operations from outside of India	2,467.07	9,341.85
Revenue from operations from India	21,881.65	16,863.31
Total Revenue from operations	24,348.72	26,205.16

All assets are located in the Company's country of domicile i.e. India.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

Two customers (PY: two customers) individually contribute more than 10% of entity's revenues. The total revenue from such entities is given below:

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Customer - 1	6,628.34	4,588.17
Customer - 2	3,266.95	-
Customer - 3	-	6,822.36
	9,895.30	11,410.53

34. RELATED PARTY DISCLOSURES

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship
Kamal Aggrawal	Key Management Personnel
Navdeep Goyal	
Himanshu Purohit	
Rajesh Gandhi	
Rajveer Aggarwal	
Shahilkumar Kapatel	
Devendra R.Mangla	
Lalit D. Chaudhary	
Neelu Atulkumar Shah	
Samir Chandrakant Patel	
Bharat Chunilal Shah	
Minal Aggrawal	Close Member of Key Management Personnel
Puja Shah	
Parul Gupta	
Super Industrial Lining Private Limited	Entities over which Key Management Personnel or their close family members have significant influence or Control
Super Chemical Industries	
Supertech Fabrics Private Limited	
Dtech Products Private Limited	
Medicap Healthcare Limited	
Shivam Petrochem Industries	

(ii) Disclosure in respect of Transactions with related parties during the year.

(₹ in lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Key Management Personnel		
Director Remuneration *		
Kamal Aggrawal	290.00	235.83
Navdeep Goyal	314.00	259.83
Himanshu Purohit	26.40	21.60
Rajesh Gandhi	26.40	21.60
Rajveer Aggarwal	24.00	24.00

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration *		
Shahilkumar Kapatel	3.52	2.47
Director Sitting Fees		
Devendra R.Mangla	0.35	1.20
Lalit D. Chaudhary	0.95	1.05
Neelu Atulkumar Shah	1.30	1.55
Samir Chandrakant Patel	1.20	1.10
Bharat Chunilal Shah	0.10	0.55
Rent Expense		
Kamal Aggrawal	1.80	1.80
Unsecured loan repaid		
Kamal Aggrawal	-	96.50
Navdeep Goyal	-	39.00
Rajveer Aggarwal	-	39.00
Naresh Goyal (Director up to February 15, 2019)	-	196.50
(b) Close Member of Key Management Personnel		
Rent Expense		
Minal Aggrawal	1.80	1.80
Puja Shah	1.80	1.80
Parul Gupta	1.80	1.80
(c) Entities over which Key Management Personnel or their close family members have significant influence or Control		
Purchase Consumable & Stores		
Super Industrial Lining Private Limited	1.15	13.60
Supertech Fabrics Private Limited	0.46	0.88
Dtech Products Private Limited	23.84	-
Purchase of Property, Plant and Equipment's		
Super Industrial Lining Private Limited	6.50	92.37
Shivam Petrochem Industries	5.50	5.00
Medicap Healthcare Limited	0.63	-
Dtech Products Private Limited	73.69	-
Purchase of Raw Material		
Shivam Petrochem Industries	113.91	0.26
Super Chemical Industries	-	5.85
Repairs & Maintenance		
Super Industrial Lining Private Limited	1.85	14.98
Supertech Fabrics Pvt Ltd	0.13	-
Dtech Products Private Limited	1.66	-
Medicap Healthcare Limited	0.11	-

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Name of the related party and nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Job work Charges Paid		
Shivam Petrochem Industries	-	165.12
Lifting Charges Paid		
Super Chemical Industries	0.78	4.09
Sale of Property, Plant and Equipment's		
Shivam Petrochem Industries	28.10	74.05
Sales commission Received		
Super Chemical Industries	4.13	14.30
Revenue from Operation		
Super Industrial Lining Private Limited	-	1.35
Super Chemical Industries	79.15	21.00
Shivam Petrochem Industries	1.41	9.44

* Remuneration exclude provision for gratuity since these are based on actuarial valuation on an overall company basis.

(ii) Disclosure in respect of Key Managerial Personnel Compensation

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short Term Employment Benefits	688.22	570.77
Post Employment Benefits	0.62	0.65
Other	-	-

Compensation exclude provision for gratuity since these are based on actuarial valuation on an overall company basis.

(iii) Disclosure in respect of Outstanding Balances at the end of year.

(₹ in lacs)

Name of the related party and Outstanding Balances	As at March 31, 2021	As at March 31, 2020
(a) Key Management Personnel		
Remuneration payable		
Kamal Aggrawal	74.67	31.58
Navdeep Goyal	87.51	123.25
Rajveer Aggarwal	1.28	1.28
Himanshu Purohit	2.07	1.44
Rajesh Gandhi	2.04	1.47
Shahilkumar Kapatel	0.29	0.23
Director Sitting Fees payable		
Devendra R.Mangla	0.26	1.02
Lalit D. Chaudhary	0.82	0.89
Neelu Atulkumar Shah	1.14	1.34
Samir Chandrakant Patel	1.05	0.93
Bharat Chunilal Shah	0.03	0.44

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)		
Name of the related party and Outstanding Balances	As at March 31, 2021	As at March 31, 2020
Rent Payable		
Kamal Aggrawal	0.17	0.16
(b) Close Member of Key Management Personnel		
Rent Payable		
Minal Aggrawal	0.14	0.14
Puja Shah	0.14	0.14
Parul Gupta	0.14	0.14
(c) Entities over which Key Management Personnel or their close family members have significant influence or Control		
Trade Payable		
Super Industrial Lining Private Limited	-	60.32
Shivam Petrochem Industries	-	0.66
Medicap Healthcare Limited	0.03	-
Dtech Products Private Limited	22.55	-
Trade Receivable		
Super Chemical Industries	22.01	17.51
Shivam Petrochem Industries	-	85.61
Advance to Supplier		
Shivam Petrochem Industries	24.18	-

35. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximise the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

(₹ in lacs)		
Particulars	March 31, 2021	March 31, 2020
Gross Debt	485.20	4,451.12
(Long term and short term borrowings including current maturities)		
Less: Cash and bank balances	12,184.94	1,410.21
Net Debt (A)	(11,699.74)	3,040.91
Total Equity (B)	35,369.33	14,636.93
Net Debt to Equity Ratio (A/B)	(0.33)	0.21

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

36. DISCLOSURE ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.1 (E) to the financial statements.

36.1 Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities :

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
Financial Assets		
At Amortised Cost		
Other Financial Assets (Non-Current and Current)	4,429.74	185.76
Trade Receivables	9,477.28	8,894.68
Cash and cash Equivalents	2,436.00	107.36
Other Bank balance	9,748.94	1,302.85
Total	26,091.96	10,490.65
LIABILITIES		
Financial Liabilities		
At Amortised Cost		
Borrowings (Non-Current and Current)	182.44	4,327.41
Trade Payables	2,258.60	2,572.22
Other Financial Liabilities	1,643.74	450.09
Lease Liabilities	137.40	123.31
Total	4,222.19	7,473.04

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2021 and year March 31, 2020.

The short-term financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value.

36.2 FINANCIAL RISKS MANAGEMENT

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

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(A) MARKET RISK

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

(1) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in lacs)

Foreign Currency Exposure	As at March 31, 2021	As at March 31, 2020
Assets	700.44	2,106.34
Liabilities	619.48	227.75

Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR, EURO-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in lacs)

Foreign Currency Exposure	As at March 31, 2021	As at March 31, 2020
Assets :		
Weakening of INR by 5%	35.02	105.32
Strengthening of INR by 5%	(35.02)	(105.32)
Liabilities :		
Weakening of INR by 5%	(30.97)	(11.39)
Strengthening of INR by 5%	30.97	11.39

(2) INTEREST RATE RISK

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

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

As at March 31, 2020, financial liability of ₹ 2866.88 Lacs, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 28.67 Lacs for the year ended March 31, 2020.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the year.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

(B) CREDIT RISK

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

The Company has concentration of credit risk due to the fact that the Company has significant receivables from two customers which is reputed and creditworthy undertaking.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

As at March 31, 2021, the Company had 5 customers (March 31, 2020: 5 customers) having outstanding more than 5% of total trade receivables that accounted for approximately 62.79% (March 31, 2020: 64.39%) of total trade receivables outstanding.

(1) TRADE RECEIVABLES:

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

(C) LIQUIDITY RISK

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

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(₹ in lacs)

Particulars	As at	Total Amount	Less than 1 year	Above 1 Years
Borrowings				
	March 31, 2021	182.44	-	182.44
	March 31, 2020	4,327.41	2,867.48	1,459.93
Trade payable				
	March 31, 2021	2,258.60	2,258.60	-
	March 31, 2020	2,572.22	2,572.22	-
Other Financial Liability				
	March 31, 2021	1,643.74	1,643.74	-
	March 31, 2020	450.09	450.09	-
Lease Liabilities				
	March 31, 2021	137.40	31.30	106.10
	March 31, 2020	-	-	-

(D) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has unutilised working capital lines from banks of ₹ 5300.00 Lacs as on March 31, 2021, ₹ 2433.12 Lacs as on March 31, 2020.

37. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

- a) As per Section 135 of the Companies Act, 2013, ("the Act") a Company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The areas for CSR activities are education of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.
- b) The gross amount required to be spent by the Company during the year is ₹ 110.34 Lacs (PY ₹ 71.09 Lacs).
- The details of the amounts spent on CSR activities are as follows :

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Construction Acquisition of any asset	-	-
On purposes other than (i) above	17.12	17.45
	17.12	17.45

- c) The details pursuant to requirements of Section 135(5) for unspent amount as at March 31, 2021 is as under:

(₹ in lacs)

Particulars	For the year ended March 31, 2021
Opening Balance	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-
Add: Amount required to be spent during the year	110.34
Less: Amount Spent During the year	17.12
Closing Balance	93.22

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

38. EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Earnings Per Share has been computed as under:		
Profit attributable to equity holders of the Company (Numerator)	5,639.82	4,885.25
Weighted average number of equity shares outstanding (Denominator)	342.24	317.78
Earnings Per Share (Equity Shares, Par Value of ₹ 10/- each)		
Basic (₹)	16.48	15.37
Diluted (₹)	16.48	15.37

39. LEASES

Company as a lessee

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

(a) Amounts recognised in the Balance Sheet

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Right-of-use Asset - Rented Premises		
Cost	232.05	165.87
Accumulated Depreciation	90.08	32.64
Net Carrying Amount	141.96	133.22
(ii) Lease liabilities - Borrowings		
Beginning of the year	123.31	-
Additions	66.18	165.87
Accretion of interest	15.63	8.86
Payments	(67.72)	(51.42)
Deletion	-	-
Closing of the year	137.40	123.31
Current	31.30	41.14
Non-Current	106.10	82.18

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

(b) Amounts recognised in the Statement Of Profit And Loss

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Finance Cost		
Interest Expense On Lease Liability	15.63	8.86
(ii) Depreciation		
Depreciation on right of use lease asset	57.44	32.64

(c) Amounts recognised in Cash Flow Statement

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	67.72	51.42

(d) Expense relating to short-term leases and Low-value

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in statement of Profit and Loss	12.71	15.38

40. IPO PROCEEDS AND ITS UTILISATION

During the year ended March 31, 2021, the Company had completed the Initial Public Offer (IPO) 93,52,941 Equity Shares having face value of ₹ 10/- each at an issue price of ₹ 340/- per Equity Share, comprising offer for sale of 45,00,000 equity shares by Selling Shareholders and fresh issue of 48,52,941 equity shares. These equity shares were allotted on September 29, 2020 and were listed on October 1, 2020 on BSE Limited and National Stock Exchange of India Limited.

Utilisation of Net IPO Proceeds for the year ended March 31, 2021 :

(₹ in lacs)

Particulars	As at March 31, 2021
Gross Proceed from Fresh issue	16,500.00
Less : Offer Related Expenses	1,465.07
Net Proceed	15,034.93
Less: Amount paid/invested :	
Capital expenditure towards expansion of Manufacturing Facility	1,095.88
Incremental working capital requirement	4,000.00
General corporate purposes	1,345.14
	6,441.02
Balance amount unutilised	8,593.92

IPO Proceeds which were unutilised as at March 31, 2021 were temporarily invested in deposits with scheduled commercial bank.

The expenditure related to issue of equity shares of the Company by way of fresh issue amounting to ₹ 1,465.07 Lacs is adjusted towards the securities premium.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

41. DISCLOSURE REQUIREMENT UNDER MSMED ACT, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in lacs)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		
	- Principal	60.77	394.34
	- Interest	-	-
2	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
3	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
4	Interest accrued and remaining unpaid as at year end	-	-
5	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

This information has been determined to the extent parties have been identified based on confirmation received from parties. Based on current information/confirmations available with the company, there are no overdue payable to suppliers who are registered under the relevant Act.

42. IMPAIRMENT OF ASSETS

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2021.

43. REGROUPING | RECLASSIFICATION

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

Notes to the Financial Statements

For the year ended March 31, 2021 (Contd.)

44. IMPACT OF COVID-19 OUTBREAK

Covid-19 pandemic has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in markets across the globe. The Company has considered relevant internal and external sources of information and its impact on the recoverability of financial and non-financial assets while preparation of these financial results. The Company will continue to closely monitor any material changes to future economic conditions.

The accompanying Notes form an integral part of the Financial Statements

As per report of even date

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

Neela R. Shah
Partner
Membership No. 045027

Place: Vadodara
Date: May 31, 2021

For and on behalf of the Board of Directors
Chemcon Speciality Chemicals Ltd.

Kamal Aggrawal
Chairman & Managing Director
DIN: 00139199

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Navdeep Goyal
Deputy Managing Director
DIN: 02604876

Shahilkumar Kapatel
Company Secretary
ACS : 52211

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CHEMCON SPECIALITY CHEMICALS LIMITED

(CIN: U24231GJ1988PLC011652)

Block No. 355, Manjusar-Kunpad Road, Village:

Manjusar, Taluka: Savli, Dist.: Vadodara – 391

775, Gujarat, India