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# CHAMAK HOLDINGS LIMITED

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35<sup>TH</sup> ANNUAL REPORT 2018-19

# Corporate Information

## Board of Directors

### Executive Directors

Mr. Anubhav Kathuria

Managing Director

### Non Executive Directors

1. Mr. Subhash Chander Kathuria
2. Mr. Vagish Pathak
3. Mr. Gurbachan Singh Matta
4. Mr. Ajay Kumar Mohanty
5. Ms. Arundhati Kar

Non Executive Director  
Non Executive Director  
Independent Director  
Independent Director  
Woman Cum Independent Director

## Senior Management

1. Ms. Deepti Gupta
2. Mr. Kapil Vig

Company Secretary & Compliance Officer  
Chief Financial Officer

Committee of Board	Statutory Auditor	Registrar & Transfer Agent
Audit Committee Stakeholder Grievances and Share Transfer Committee Nomination and Remuneration Committee	M/s SBD & Co. 606, New Delhi House, 27, Barakhamba Road, New Delhi- 110001, Ph.-011 43542784	Skyline Financial Services Pvt. Ltd. D-153 A, 1st Floor Okhla Industrial Area , Phase-1 New Delhi 110020
Listing Information	Banker	Stock Code
The Equity Share of the Company are listed on the : <ul style="list-style-type: none"><li>• Bombay Stock Exchange Limited</li><li>• Metropolitan Stock Exchange of India Limited (Formerly MCX-SX)</li><li>• Delhi Stock Exchanges Limited</li></ul>	Indian Bank G 41, Connaught place , New Delhi- 110001	Metropolitan Stock Exchange of India Limited (Formerly MCX-SX): Chamak Bombay Stock Exchange Limited: 539600 ISIN Code: INE049R01013 Website: <a href="http://www.chamakhholdings.com">www.chamakhholdings.com</a>
Registered Office		
55B, Rama Road, Kirti Nagar, Industrial area, New Delhi - 110015 Tel.: 011-400500500 Fax. 011-41428521		

## DIRECTORS' REPORT and Management Discussion and Analysis

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Dear Members,

Chamak Holdings Limited

Your Board of Directors are pleased to present 35<sup>th</sup> Annual Report of the company and Brief on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019 along with the annexures thereto.

Our Management Team:

Our Management team consist of highly experienced and dedicated Management Team which consists sufficient number of Executive, Non-Executive, Independent Director, Woman Director etc. and other KMPs, who have wide and varied experience in different disciplines of corporate functioning.

### BUSINESS OVERVIEW

The Company is basically engaged in the business of Plastic & Steels Scrap and other related activities. The prospect of Plastic related goods are bright in terms of long term perspective and it will help us to increase our earnings in near future.

### FINANCIAL RESULTS

The Board's Report shall be prepared based on the stand alone financial statements of the company. The Company's financial performance is given hereunder.

Particulars	Financial Year ended 31.03.2019 (In Rs.)	Financial Year ended 31.03.2018 (In Rs.)
Sales & other income	701,838,519	581,687,424
Total Expenses	69,99,31,510	56,95,12,326
Profit before tax	4,14,504	11,49,083
Profit after tax	(41,19,401)	(1,07,270.)
Appropriations:		
Equity Dividend		
(i) Interim	0	0
(ii) Final	0	0
Corporate Tax on Dividend		
(i) Interim	0	0
(ii) Final	0	0

### REVIEW OF OPERATIONS

The Turnover from the Operations of the Company during the Financial Year ended 31<sup>st</sup> March, 2019 amounted to Rs.701,838,519 as compared to Rs. 581,687,424 during the previous year ended 31<sup>st</sup> March, 2018. The Turnover of the Company has increased by 17% from the previous year.

## DIVIDEND

The Company has future plans for expansion & Growth and the company will require huge amount of fund, hence the company retain the earning of the company and planning to deploy those internally generated funds for company's expansion & Growth.

## RESERVES

Board did not create any special reserve during the year but transfer the amount of Profit & Loss Account to the Reserve & Surplus.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, Guarantees and Investment have been disclosed in the Financial Statements.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

**The Company has robust systems for internal audit and corporate risk assessment and mitigation.** The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations. Your Company's control system and procedures are regularly reviewed for relevance and effectiveness and changed as per the need of business environment.

The company has appointed M/s Sushil Pruthi & Co., Chartered Accountants, New Delhi as the Internal Auditor of the company in terms of section 138 of the companies Act, 2013 and rules made thereunder. The internal auditor reports to Audit Committee of the Company.

## PUBLIC DEPOSITS

The company has not accepted Deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the during the year because the company is using its internal funds for day to day affairs of the company.

## AUDITORS OF THE COMPANY

### I. SECRETARIAL AUDITORS AND THEIR REPORT

The Board had appointed M/s. Akshit Gupta and Associates, Company Secretaries in Practice, for the Financial Year 2018-19 to conduct the audit of Secretarial and related records of the Company. The Secretarial Audit Report for the financial year ended March 31, 2019 is provided in Annexure-1 to this Boards' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

### II. STATUTORY AUDITOR'S AND THEIR REPORT

M/s SBD & Co. Statutory Auditor of the company have been as Statutory Auditors of the Company to hold office from the conclusion of 31<sup>ST</sup> Annual General Meeting until the conclusion of 36<sup>TH</sup> Annual General Meeting, subject to ratification of the appointment by the members at the respective Annual General Meeting. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting. The Auditor report as prepared by M/s SBD & Co., which is self explanatory hence no further comments required.

## EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 (Attached as Annexure –2) shall form part of the Board's report.

## DIRECTORS

Sh. Subhash Chander Kathuria, (DIN: 00125337), retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As our company is not covered under the provisions of section 135 of the Companies Act, 2013, therefore CSR is not applicable to our company.

## PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to section 197 (12) of the Companies Act, 2013 ("Act") read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this Report as Annexure - 3. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered office of the Company. The said information is available for inspection at the Registered Office of the Company during working hours.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business. The Company presents a Statement of all related party transactions before the Audit Committee on a quarterly basis specifying the nature, value and terms and conditions of transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority. Details of such transactions are given in the accompanying Financial Statements. Details of Transactions has been Annexed in AOC-2 as Annexure-4.

## CREDIT RATING

During the year the Company under review Brickwork Ratings India Pvt. Ltd. has assigned the following credit rating of your company which are as under:

Ratings are as follows:

Fund Based Limits	BWR BB+
Non-fund Based Limits	BWR A4+

## DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero Tolerance for Sexual Harassment of Women at work place. A policy has been adopted in line with the sexual harassment at work place (Prevention, Prohibition & Redressal) Act, 2013 and the Rules framed thereunder. During the Year, no Complaints pertaining to sexual harassment were received.

## PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. All Board of Directors and the designated employees have confirmed compliance with the Code.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The company has not initiated any proceeding during the last year, hence no any order in favor of or against the company has been passed by any Court or Tribunal

## CONSERVATION OF ENERGY, ETC.

As required under Section 134(3)(m) read with Companies (Accounts) Rules, 2014, the requirement of furnishing particulars of energy conservation, technology absorption, etc. is not applicable to the Company. Further, particulars of foreign exchange earnings and outgo are as under:

- |     |                         |   |                 |
|-----|-------------------------|---|-----------------|
| I.  | Foreign Exchange Earned | : | Nil             |
| II. | Foreign Exchange Outgo  | : | INR 64.68 Lakhs |

## DIRECTORS' RESPONSIBILITY STATEMENT Refer Sec 134(3)(C) read with Sec 134(5)

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts for the year ended March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2019 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

To avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance of the various businesses and functions of the Company.

## CORPORATE GOVERNANCE

We would like to inform you that pursuant to Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Regulation 27(2) i.e Filing of Corporate Governance Report is not applicable to our Company (Chamak holdings Limited) as the Paid up Share capital is less than Rs. 10 Crores and Net Worth is less than Rs. 25 Crores as on the last day of previous financial year i.e 31<sup>st</sup> March, 2019. But in the view of good corporate governance our company is following corporate governance principles as a good citizen of country and for ethical standards. Report of Corporate Governance attached.

## RISK & CONCERNS

In the course of its business, the Company is exposed to a series of risks that could affect its performance and the achievement of its strategic and financial goals. After adoption of the risk management policy and processes, it enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. It will help in business growth with financial stability.

## CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

## ACKNOWLEDGEMENTS

Your Directors wish to place on record and acknowledge their appreciation for the sincere support received from the Government of India, various state governments, the Banks/ financial institutions and the esteemed Shareholders of the Company. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

Date: 30/05/2019

Place: New Delhi

Anubhav Kathuria  
Managing Director  
DIN: 01198916

Subhash Chander Kathuria  
Director  
DIN: 00125337

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With a view to avoid duplication between the Directors' Report and Management Discussion and Analysis, a combined report has been presented.

## MD AND CFO Compliance Certification

The Board of Directors  
Chamak Holdings Limited  
55B, Rama Road Industrial Area,  
New Delhi-110015

Dear Board of Directors,

We, Anubhav Kathuria, (Managing Director) and Kapil Vig, (Chief Financial Officer), do hereby certify the following: -

As required under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2019 along with the Notice and Director's Report attached therewith
2. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. 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.
4. There are, to the best of their 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.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and that 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, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
6. We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over Financial Reporting during the year, if any;
  - (ii) significant changes, if any; in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant frauds, if any, 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.

For Chamak Holdings Limited

Place : New Delhi  
Date : 30/05/2019

Anubhav Kathuria  
Managing Director

Kapil Vig  
Chief Financial Officer



## Declaration Regarding Code of Conduct

To,  
The Members of  
Chamak Holdings Limited  
55B, Rama Road Industrial Area,  
New Delhi-110015

I, Anubhav Kathuria, (Managing Director) of the Company (Chamak Holdings Limited) do hereby declare that all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct of the Company. The Code is posted on the Company's Website [www.chamakhholdings.com](http://www.chamakhholdings.com)

For Chamak Holdings Limited

Anubhav Kathuria  
Managing Director  
DIN: 01198916

Place: New Delhi  
Date: 30/05/2019

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

To,  
The Members of  
**Chamak Holdings Limited**  
55-B, Rama Road, Industrial Area  
New Delhi 110015

In connection with issue of a Secretarial Audit Report pursuant to Sec.204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect **Chamak Holdings Limited** (Company) for the Financial Year ended **31<sup>st</sup> March, 2019**, we wish to state as under:-

- 1) **Chamak Holdings Limited** is incorporated under the Companies Act, 1956 vide CIN-L51494DL1984PLC019684 issued by the Registrar of Companies, NCT of Delhi & Haryana.
- 2) We have verified the records maintained by the Company under the provisions of the Companies Act, 2013 (Act) from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 and report that the Company has complied with the various provisions of the said Act.
- 3) The Authorized Share Capital of the Company is Rs 3,29,50,000/- (Three Crores twenty nine lakhs Fifty thousand only) divided into 3295000 (Thirty Two Lakh Ninety Five thousand ) Equity Shares of Rs. 10/- (Ten) each.
- 4) The Issued, subscribed and Paid up Capital of the Company is Rs. 32450000/- (Three Crore Twenty Four Lakh Fifty Thousand) divided into 3245000 (Thirty two lakhs forty five Thousand ) Equity Shares of 10/- (Ten) each.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chamak Holdings Limited** (CIN-L51494DL1984PLC019684) (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation letter given by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (**'Audit Period'**), the Company has, 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.