



CHEMCRUX ENTERPRISES LTD.

ANNUAL REPORT 2016-17

CIN: L01110GJ1996PLC029329

Reg. Off.: T-7, National Plaza, R.C.Dutt Road,
Alkapuri, Vadodara- 390007



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ANNUAL REPORT 2016-17

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Alkapuri, Vadodara- 390007
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Corporate Information

Board of Directors

Mr. Girish C. Shah	- Chairman & Whole Time Director
Mr. Sanjay Marathe	- Managing Director
Mrs. Sidhdhi G. Shah	- Director
Mrs. Neela S. Marathe	- Director
Mr. Shailesh H. Patel	- Independent Director
Mr. Bhanubhai V. Patel	- Independent Director
Mr. Premchand V. Tiwari	- CFO
Mr. Alpesh S. Makwana	- Company Secretary & Compliance Officer

Bankers:

State Bank of India

Auditors:

Naresh & Company
Chartered Accountants
2nd Floor, Citi Enclave,
Opposite Polo Ground,
Vadodara-390 001

Registered Office:

T-7, National Plaza,
R. C. Dutt Road, Alkapuri,
Vadodara- 390 007
Ph: +91-0265-2344803/2358903
Email:- girishshah@chemcrux.com
Fax: +91-0265-2332910
Website: www.chemcrux.com
CIN- L01110GJ1996PLC029329

Registrar & Share Transfer Agent:

BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis,
Makwana Road, Marol ,
Andheri – East, Mumbai – 400059
E-mail id: info@bigshareonline.com

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CHEMCRUX ENTERPRISES LIMITED

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Regd. Office: T-7, National Plaza, R.C. Dutt Road, Alkapuri, Vadodara - 390007
Factory Office: 4712-14, GIDC, Road South 10, Ankleshwar-393 002, (Gujarat) INDIA
Ph: +91-0265-2344803/2358903
Email:- girishshah@chemcrux.com, Fax: +91-0265-2332910
Website: www.chemcrux.com

1. NOTICE

NOTICE is hereby given that the Twenty First (21st) Annual General Meeting of Members of CHEMCRUX ENTERPRISES LIMITED (the Company) will be held on Friday, the 18th day of August, 2017 at 02:00 p.m at Baroda Rotary Club Service Centre, 62, Haribhakti Extension, Opp. ABS Tower, Old Padra Road, Vadodara, District Vadodara, in the State of Gujarat 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 31st March, 2017 including the Balance Sheet as at March 31, 2017 and the Statement of Profit of Loss and Cash Flow for the year ended on that date together with and the reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on equity shares of the Company for the financial year ended 31st March, 2017.
3. To Appoint Ms. Talati & Talati, Vadodara as Statutory Auditors in place of Ms. Naresh & Co., statutory auditor 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Talati & Talati, Chartered Accountants, Vadodara having ICAI Firm Registration No. 110758W, who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company for a term of one year from the conclusion of this Annual General Meeting till the conclusion of the 22nd Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

4. To appoint a Director in place of Mr. Girish C. Shah (DIN: 00469291), who retires by rotation and being eligible, offers himself for re-appointment.

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

**Place: Vadodara
Date: 15.07.2017**

**Sd/-
Girish C. Shah
CHAIRMAN
DIN: 00469291**

NOTES:

1. The Register of members and Share Transfer Books of the Company will remain closed from 10/08/2017 to 18/08/2017 (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2017.
2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the special business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
5. In terms of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.
6. Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Directors for the year ended 31st March, 2017, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 09.08.2017 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 09/08/2017. The dividend warrants /Demand Draft will be posted on or about 15/09/2017.
 - 6.1 *In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.*
 - 6.2 *Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agent.*
7. During the year under review, the Company has appointed M/s. Bigshare Services Private Limited, as its Registrar and Transfer Agent (RTA) having their administrative office situated at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol Andheri – East, Mumbai – 400059 in the State of Maharashtra. The aforesaid RTA is handling registry work in respect of shares held both in physical form and in electronic/demats form. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and shares certificates should be sent either to the RTA or at the registered office of the Company.
8. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
9. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
10. Members are requested to intimate the Company of queries, if any, regarding these accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the meeting.
11. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sundays, upto and including the date of Annual General Meeting of the Company.

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

**Place: Vadodara
Date: 15.07.2017**

**Sd/-
GIRISH SHAH
CHAIRMAN
DIN: 00469291**

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

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

Name of Director	Girish Shah
Date of Birth	29/06/1956
Date of Appointment	15/04/1996
Expertise in Specific Functional Area	Management, Administration & Chemical Engineering
Qualifications	B.E.(Chem. Eng.),Bachelor of Engineering D.I.I.Sc.(IM), Post Graduate in Industrial Management
Directors in other public limited companies	NIL
Other positions	NIL
Membership of committees in other public limited companies	NIL
Inter relationship	Promoter
Shares held in the company	18,00,080

2. BOARD'S REPORT

Your Directors have pleasure in presenting the 21st Board Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2017.

1. FINANCIAL

[Rupees in Lacs]

	2016-17	2015-16
Revenue from Operations	2749.76	2011.59
Other Income	34.71	11.99
Total Revenue	2784.47	2023.59
Less: Expenses before Interest and Depreciation	2404.41	1698.60
Less: (a) Interest	35.45	26.07
(b) Depreciation	55.44	50.00
Profit before Tax & Extra Ordinary Items	289.18	248.92
Less : Prior period expenses	00.30	2.90
Less: Prior year's Income Tax Adjustment	3.44	-
Profit Before Tax	285.44	246.02
Less: Tax Expenses		
Current Tax	80.00	66.00
Deferred Tax	55.61	6.18
Profit after Tax	149.83	173.84

2. DIVIDEND:

Your Directors have recommended a final dividend of Rs. 00.25/- per share (i.e. 2.5%) on Company's paid up equity share capital comprising of 49,36,280 nos. of equity shares of Rs. 10/- each.

3. OPERATIONAL HIGHLIGHTS:

The Company earned operational income of Rs. 149.83 compared to Rs.173.83 lacs for the previous year. The other income is Rs.34.71 lacs compared to Rs. 11.99 lacs in the previous year. The revenue from the operation increased 36% as compared to previous year.

4. INITIAL PUBLIC OFFERING& SHARE CAPITAL:

During the year under review, your company came up with an IPO of 13,36,000 Equity shares of Rs.10/- each at a premium of Rs. 8/- per share with Total Issue size of Rs. 240.48 Lacs. Your Board is really thankful for the trust posed in the Company. Subsequently the shares of the company have been listed on SME Platform of BSE since March, 2017.

At present, the Company has only one class of share – Equity shares of par value Rs. 10 each. The authorized share capital of the company is Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 4,93,62,800/- divided into 49,36,280 equity shares of Rs. 10 each. The Company has raised the fund through Public Issue of shares and the equity shares of the Company got listed on SME platform of BSE Limited.

IPO FUNDUTILISATION:

The Company has raised the fund to meet the working capital requirement and general corporate purpose. As the Company has raised the fund in the month of March, 2017, during the year 2016-17, this fund remained unutilized.

5. INTELLECTUAL PROPERTY:

The Company has applied for registration of our logo as Trademark with the Trademark Registry, Ahmedabad which is accepted for publication in the Trademark General.

6. CREDIT FACILITIES:

The Company has been optimally utilizing its fund based and non fund based working capital requirements as tied up with State Bank of India. During the year under review, the Company was comfortable in meeting its financial requirements. Effective financial measures have been continued to reduce cost of interest and bank charges.

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

As such, there is no amount outstanding for payment of dividend; there is no requirement for transfer of unclaimed dividend to investor education and protection fund.

8. SHARE CAPITAL:

➤ **Authorised Capital:**

1. The Company has increased the authorised share capital from Rs. 3,00,00,000 (Rs. 3 Crore) to Rs. 4,00,00,000 (Rs. 4 Crore) vide Ordinary Resolution passed by the members at the 20th Annual General Meeting held on 30th September, 2016.
2. The Company has increased the authorised share capital from Rs. 4,00,00,000 (Rs. 4 Crore) to Rs. 6,00,00,000 (Rs. 6 Crore) vide Ordinary Resolution passed by the members at the Extraordinary Annual General Meeting held on 17th November, 2016.

Thus, authorised capital of the Company as on 31st March, 2017 is Rs. 6,00,00,000.

➤ **Subscribed & Paid up Capital:**

1. The Company has issued 18,00,140 Bonus Shares vide Special Resolution passed by the members at the 20th Annual General Meeting held on 30th September, 2016.
2. The Company has issued 13,36,000 shares through Public Offer authorised by the members at the Extraordinary Annual General Meeting held on 17th November, 2016.

Thus, paid up capital of the Company as on 31st March, 2017 is 4,93,62,800

9. MATERIAL CHANGES:

The Company has issued 13,36,000 nos. of shares through Public Offer and the equity shares of the Company got listed w.e.f. 28th March, 2017 on SME Platform of BSE Limited. The Company has raised the fund for Working capital requirement and general corporate purpose.

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

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

(A) Conservation of energy:

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

- (i) steps taken by the company for utilizing alternate sources of energy including waste generated :NIL

(B) Technology absorption:

1. Efforts, in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. The Company has not taken any technical know how from anyone and hence not applicable. However the company has applied for registering its logo as Trademark. The Application will be published in the Trademark Journal for further process.
2. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
The Company has not imported any technology and hence not applicable.
3. Expenditure incurred on Research and Development :
The Company has not incurred any expenditure on research and development

(C) Foreign exchange earnings and Outgo:

PARTICULARS	Amt (In Rs.)
Foreign Exchange earned in terms of actual inflows during the year	3,54,05,340
Foreign Exchange outgo during the year in terms of actual outflows	2,87,77,245

11. RISK MANAGEMENT:

The Company has framed a sound Risk Management Policy to identify and evaluate business risks and opportunities and the same has become integral part of Company's day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Market Risk, Government Policy risk, Liquidity risk, and Systems risk. The Company has in place adequate mitigation plans for the aforesaid risks.

12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 is not applicable to the Company. However, Our Company has been recently awarded with BRONZE recognition level by —EcoVadis – Sustainable Supply Management for our CSR initiative.

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

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the furnishing above information is not applicable.

14. RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at www.chemcrux.com under investors info/Corporate Policy link.

15. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Girish C. Shah, Whole Time Director retire by rotation and he is eligible for re-appointment.

During the year following changes occurred in the Board of Directors and Key Managerial Personnel during the year:

Sr. No.	Name of the person	Date of Event
1.	Mr. Alpesh Makwana was appointed as Company Secretary	01.09.2016
2.	Mr. Shailesh Patel was appointed as an Independent Director.	30.09.2016
3.	Mr. Bhanubhai Patel was appointed as an Independent Director.	30.09.2016
4.	Mr. Premchand Tiwari was appointed as Chief Financial Officer	20.12.2016

➤ BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board is under process of carrying an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

➤ REMUNERATION POLICY:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for Determining, Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.