

YASH CHEMEX LIMITED

(CIN: L24119GJ2006PLC048385)

AHMEDABAD

ANNUAL REPORT FOR 2016-17

11th Annual General Meeting (2nd Annual General Meeting after SME IPO)

on

Thursday, the 28th day of September, 2017 at 2.00 P.M

at

411, Sigma Icon -1, 132ft Ring Road, Opp. Medilink Hospital, Satellite,
Ahmedabad -380015, Gujarat, India

Registered Office:

411, Sigma Icon -1, 132ft Ring Road,
Opp. Medilink Hospital, Satellite,
Ahmedabad -380015, Gujarat, India

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Corporate Information

CIN: L24119GJ2006PLC048385

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Mr. Pritesh Shah DIN: 00239665	Managing Director
Mr. Yashwantlal C. Shah DIN: 01002342	Chairman & Whole time Director
Dimple Priteshkumar Shah DIN: 06914755	Director
Jinal Dineshbhai Shah DIN: 07467703	Independent Director
Angee Rajendrakumar Shah DIN: 07486980	Independent Director
Kamlesh Patel (Resigned on 12.04.17) DIN: 07489501	Independent Director
Vrusha Patel (Appointed on 29.05.17) DIN: 07772669	Additional Independent Director
Aesha Mashru	Company Secretary
Kiritkumar H. Shah	Chief Financial Officer

AUDITORS:

M/s. Harshad Sudhir & Co.,
Chartered Accountants,
Ahmedabad.

REGISTERED OFFICE:

411, Sigma Icon -1, 132ft Ring Road, Opp. Medilink
Hospital, Satellite, Ahmedabad -380015.

BANKERS:

Yes Bank
Union Bank of India

MESSAGE FROM MANAGING DIRECTOR

I am extremely proud at the same time humbled to present the Annual Report of Yash Chemex Limited, BSE SME Listed Company as the Managing Director. When we look at Yash Chemex today, we can see that it has been a year of great transition for the Company. Despite of transitions the Company has marked a new milestone growth by listing on the SME Platform of BSE Limited and moreover achieving the turnover of around Rs. 8526.93 Lakhs in F.Y. 2016-17.

Our Total Revenues for the year were Rs. 7870.33 Lakhs compared to Rs. 7198.25 Lakhs in the previous year, an increase of 9.34 percent. Our Gross Profit for the year was Rs. 156.24 Lakhs compared to Rs. 116.11 Lakhs in the previous year, an increase of 34.56 percent. Our Net Profit for the year was Rs. 62.26 Lakhs compared to Rs. 28.20 Lakhs in the previous year, an increase of 120.76 percent.

Introduction of a well-designed GST will be very beneficial for the chemical companies in India as the external and internal cost and the complexity of managing the numerous indirect taxes will be reduced and sales prices will be more attractive compared to imports. Knowing that chemical products often are intermediates to other chemicals this effect is cumulative and therefore the Indian chemical industry will be significantly more competitive after introduction of GST.

Our Company having godown in Vapi and doing business from there, looking opportunity available in Ankleshwar therefore in process of opening depot at such place. Further focus is on the strict monitoring of the stock and to procure chemical in minimum lead time. It will minimize the buffer stocks. In order to reduce marketing cost we are distributing the same through depot nearest to / Company/consumers/Industries. This will bring down the transportation and handling cost. To meet out the market competitiveness and improve the financial performance, the company is committed to reduce the cost, upgrade the efficiency and ensure optimum utilization of the current as well as fixed assets of the company. Our company's promoters are in the process of providing better distribution facility in the Vatva. Under the Made-ups Division, company is growing and progressing very well in this segment in both Global and Domestic Markets. Your company also gearing up & increasing the efficiencies & capacities to cater the market demand in domestic market.

Our Company proposed to generate the fund by investing fund of the company in chemical industries, Opportunity in Chemical Industry by doing so provide handsome return to the shareholders. For that necessary resolution was passed. Our Company also is in the process of promoting the other Chemical Companies for SME IPO.

I would to like to place on record my sincere appreciation to the Board of Directors for their valuable guidance, support and prudent counsel. I and my colleagues on the board place our appreciation for support and guidance received from government, SEBI, Stock Exchange and other regulatory authorities, various financial institution, banks and correspondents in India.

Before I conclude, I would like to thank all of you for your presence and faith in the Company.

With best wishes,
yours Sincerely

Pritesh Shah
Managing Director

NOTICE
11th ANNUAL GENERAL MEETING

Notice is hereby given that ELEVEN ANNUAL GENERAL MEETING of the members of the Company will be held on Thursday, 28th September, 2017 at 2:00 P.M. at the Registered Office of the Company at 411, Sigma Icon -1, 132ft Ring Road, Opp. Medilink Hospital, Satellite Ahmedabad -380015 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2017 and the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Yashwantlal C. Shah (DIN: 01002342) a Whole Time Director, who retires by rotation and being eligible offers himself for reappointment.
3. To Reappoint Statutory Auditors and fix their remuneration and in this regard pass the following resolution thereof:

"RESOLVED THAT pursuant to provision of section 139 and other applicable provisions, if any, of the Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Audit and Auditors) Rules, 2014, the company hereby approves the reappointment of M/s. Harshad Sudhir & Co., Chartered Accountants, (FRN: 129775W) as Statutory Auditors of the Company to hold office from the conclusion of 11th Annual General Meeting until the conclusion of 12th Annual General Meeting of the Company subject to ratification at each annual general meeting, on such remuneration as may be determined by the Audit Committee/ Board of Directors of the Company in consultation with the auditors."

SPECIAL BUSINESS:

4. Revision in the remuneration of Managing Director:

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and in accordance with the provisions of Sections 196, 197, 198, 203, and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the continuation of Mr. Pritesh Y. Shah (DIN: 00239665), as Managing Director, for period of Three years with effect from March 15, 2016 on the same terms and condition including remuneration as passed by the Members of the Company at the Extra- ordinary General Meeting held on 9th April, 2016 and approval of the members of the Company to the revision of remuneration payable to Mr. Pritesh Y. Shah (DIN: 00239665), as Managing Director with effect from April 1, 2017 on the salary, allowance and perquisites on the terms and conditions including remuneration as mentioned below:

Details of remuneration are:

Salary:

Mr. Pritesh Y. Shah: Rs. 14,00,000 per annum

Total Salary includes:

- Basic salary
- Commission payable, if any
- Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company.
- Other benefits like Gratuity, Provident Fund, Leave etc. as applicable as per rules of the Company.
- Other perquisites and benefits as per the rules of Company.

Salary mentioned above includes perquisites payable to Mr. Pritesh Y. Shah (DIN: 00239665) but in any case the total managerial remuneration shall not exceed the maximum limit prescribed under the Companies Act.

5. Revision in the Remuneration of Whole time Director:

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

“RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and in accordance with the provisions of Sections 196, 197, 198, 203, and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the continuation of Mr. Yashwantlal C. Shah (DIN: 01002342), as Whole Time Director, for period of Three years with effect from September 3, 2016 on the same terms and condition including remuneration as passed by the Members of the Company at the Annual General Meeting held on 30th September, 2016 and approval of the members of the Company to the revision of remuneration payable to Mr. Yashwantlal C. Shah (DIN: 01002342), as Whole Time Director, with effect from April 1, 2017 on the salary, allowance and perquisites on the terms and conditions including remuneration as mentioned below:

Details of remuneration are:

Salary:

Mr. Yashwantlal C. Shah: Rs. 9,50,000 per annum

Total Salary payable includes:

- Basic salary
- Commission payable, if any
- Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.

- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company.
- Other benefits like Gratuity, Provident Fund, Leave etc. as applicable as per rules of the Company.
- Other perquisites and benefits as per the rules of Company.

Salary mentioned above includes perquisites payable to Mr. Yashwantlal C. Shah (DIN: 01002342) but in any case the total managerial remuneration shall not exceed the maximum limit prescribed under the Companies Act.

6. To appoint Ms. Vrusha Patel (DIN: 07772669) as an Independent Director

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 149, 152 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) re-enactment thereof for the time being in force), and any other applicable provisions, Ms. Vrusha Patel (DIN: 07772669), who has been appointed as an Additional Director in the meeting of the Board of Directors held on 29th May, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Vrusha Patel (DIN: 0772669) as a candidature for the office of the Independent Director of the Company and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (Three) consecutive years w.e.f 29th May, 2017, and whose office shall not be liable to retire by rotation”

Registered office-
411, Sigma Icon-1, 132ft Ring Road,
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Ahmedabad-380015.

By Order of the Board of Directors
For, **YASH CHEMEX LIMITED**

Sd/-
Pritesh Shah
Managing Director
DIN: 00239665
Date: 01.09.2017
Place: Ahmedabad

Notes:

1. The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business is annexed hereto.
2. A statement giving the relevant details of the Directors seeking re-appointment is annexed hereto.
3. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a member of the Company. The proxy form duly completed and signed should be lodge with the Company at its Registered Office at least 48 hours before the time of the meeting.**
4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate Members intending to send their authorized representatives to attend the Meeting Pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slip duly competed and signed mentioning therein details of their DPID and Client ID/Folio No.
7. 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 at the Meeting.
8. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during office hours on all working days between 10.00 a.m. to 5.00 p.m. from the date of hereof up to the date of Annual General Meeting.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2017 to 28th September, 2017 (both days inclusive) for the purpose of 11th Annual General Meeting.
10. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing e-voting facility to its shareholders.
11. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particular should be given to their respective Depository Participant.

12. The Notice of 11th Annual General Meeting and the Annual Report 2016-17 of the Company, circulated to the members of the Company, will be made available on the Company's Website at www.yashchemex.com
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts.

EXPLANATORY STATEMENT

(Pursuant to section 102(2) of the Companies Act, 2013)

In conformity with the provisions of Section 102(2) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 4 and 5 of Special Business:

The member may approve that the based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of Company at their meeting held on 29th May, 2017, approved the increase of Remuneration of Mr. Pritesh Shah (DIN:00239665), as Managing Director and Mr. Yashwantlal C. Shah (DIN: 01002342), as Whole Time Director under the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article of Association of the Company to Rs. 14,00,000 p.a. to Mr. Pritesh Shah and Rs. 9,50,000 p.a. to Mr. Yashwantlal C. Shah with effect from April 1, 2017 on the salary, allowance and perquisites on the terms and conditions including remuneration.

Salary mentioned above includes perquisites payable to Mr. Pritesh Shah (DIN: 00239665) and Mr. Yashwantlal C. Shah (DIN: 01002342) but in any case the managerial remuneration shall not exceed the maximum limit prescribed under the Companies Act.

Mr. Pritesh Y. Shah (DIN:00239665), Managing Director, Mr. Yashwantlal C. Shah (DIN:01002342), Whole time Director and their relatives are interested in the above stated matter. No other directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested financially or otherwise in the above said resolutions.

The Board recommends the Resolution at Item No.: 4 and 5 for approval of the Members.

Item No. 6 of Special Business:

Pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to the approval of shareholders of the Company, Ms. Vrusha Patel was appointed as an Independent Director of the Company by the Directors w.e.f 29th May, 2017 to hold the office for three consecutive years up to 28th May, 2020. A notice has been received from a member proposing Ms. Vrusha Patel as a candidate for the office of Director of the Company.

Ms. Vrusha Patel, aged 23 years, she is Company Secretary by profession.

She is not holding any equity shares of the Company and is not related to any Director of the Company.

In the opinion of the Board, Ms. Vrusha Patel fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. A Copy of the draft letter for appointment of Ms. Vrusha Patel as an Independent Director would be available for inspection without any fee by