

Chamak Holdings Limited

REGD. OFF. : 55-B, RAMA ROAD, INDL AREA, NEW DELHI-110015

E-mail : chamakhholdings@gmail.com, Website : www.chamakhholdings.com

Wed, 04th Sep, 2019

The General Manager,
Dept. of Corporate
Services
BSE Ltd.
P.J.Towers, Dalal Street,
Mumbai- 400001

Head- Listing & Compliance
Metropolitian Stock Exchange of
India Limited (MCX-SX)
4th Floor, Vibgyor Towers,
Bandra Kurla Complex,
Bandra East, Mumbai-400098

**The Listing
Department**
Delhi Stock Exchange
Limited
3/1, Asaf Ali Road,
New Delhi-110002

Sub: Annual Report for the Financial Year 2018-19

Dear Sir/Madam,

Pursuant to Regulation 34(1) and other applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulation'), We are enclosing herewith the Annual Report for the Financial Year 2018-19 containing inter alia the Notice convening 35th Annual General Meeting to be held on 28th September, 2019, Board of Directors' Report with the relevant enclosures, Audited Financial statements, Report on Corporate Governance, Auditors' Report etc.

You are requested to kindly take the same on record.

Thanking You

Yours truly
For Chamak Holdings Limited

Deepti Gupta
Company secretary & Compliance Officer
M.No. A55551

Encl: As above



CHAMAK HOLDINGS LIMITED



35TH 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">• Bombay Stock Exchange Limited• Metropolitan Stock Exchange of India Limited (Formerly MCX-SX)• Delhi Stock Exchanges Limited | 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: www.chamakhholdings.com |
| 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

Dear Members,

Chamak Holdings Limited

Your Board of Directors are pleased to present 35th 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 31st March, 2019 amounted to Rs. 701,838,519 as compared to Rs. 581,687,424 during the previous year ended 31st 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 31ST Annual General Meeting until the conclusion of 36TH 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 31st 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

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 31st 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 Office

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

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 31ST 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 **31st 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 01st April, 2018 to 31st 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 31st 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.

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 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and Companies Act, 1956 (to the extent applicable) the rules made thereunder including any re-enactment thereof;
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder.
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable to the Company as there were no transactions in the Company in the period under review concerning the same];**
- 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 (Listing Obligations and Disclosure Requirements), 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not Applicable to the Company during the Audit Period];**
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable to the Company during the Audit Period];**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable to the Company during the Audit Period];**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable to the Company during the Audit Period];**

We have also examined compliance with Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that the compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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.
- Resolutions & Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken with requisite majority.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Akshit Gupta & Associates
Company Secretaries**

Akshit Gupta

FCS No: 8472
CP No: 11408

Place: New Delhi
Date: 30.05.2019

Note: 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.

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

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

OUR REPORT OF EVEN DATE IS TO BE READ ALONG WITH THIS LETTER.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 the random 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is 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.

For Akshit Gupta & Associates
Company Secretaries

Akshit Gupta

FCS No: 8472
CP No: 11408

Place: New Delhi
Date: 30.05.2019

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|---|---|
| i | CIN | L51494DL1984PLC019684 |
| ii | Registration Date | 18-12-84 |
| iii | Name of the Company | CHAMAK HOLDINGS LIMITED |
| iv | Category/Sub-category of the Company | Indian Non-Government Company |
| v | Address of the Registered office & contact details | 55B, Rama Road Industrial Area, New Delhi- 110015 E-Mail: chamakhholdings@gmail.com Tel. No.: 011-40500500 |
| vi | Whether listed company | Company limited by shares |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | Skyline Financial Services Private limited D-153, Okhla Industrial Area, Delhi Email: virenr@skylinerta.com Tel. No.: 011-64732681 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1 | Plastic, Steels & Scrap thereto | | 100 % |
| 2 | | | |
| 3 | | | |
| 4 | | | |

| | | | | | | | | | | |
|---|----------------|--------------|----------------|---------------|----------------|--------------|----------------|---------------|----------|----------|
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (B)(1): | | | | | | | | | | |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | | |
| i) Indian | 0 | 110 | 110 | 0.00% | 0 | 110 | 110 | 0.00% | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 150 | 54840 | 54990 | 1.69% | 150 | 54840 | 54990 | 1.69% | 0 | 0 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 767850 | 0 | 767850 | 23.67% | 767850 | 0 | 767850 | 23.67% | 0 | 0 |
| c) Others (specify) | 0 | 1050 | 1050 | 0.04% | 0 | 1050 | 1050 | 0.04% | 0 | 0 |
| SUB TOTAL (B)(2): | 768000 | 56000 | 824000 | 25.39% | 768000 | 56000 | 824000 | 25.39% | 0 | 0 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 768000 | 56000 | 824000 | 25.39% | 768000 | 56000 | 824000 | 25.39% | 0 | 0 |
| C. Shares held by Custodian For GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 3189000 | 56000 | 3245000 | 100% | 3189000 | 56000 | 3245000 | 100% | 0 | 0 |

(ii) SHARE HOLDING OF PROMOTERS

| SI No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|-----------------------------------|---|
| | | NO of shares | % of total shares of the company | % of shares pledged encumbered to total shares | NO of shares | % of total shares of the company | % of shares pledged encumbered to | |
| 1 | Mr. Subhash Chander Kathuria | 1210500 | 37.30% | - | 1210500 | 37.30% | - | NIL |

| | | | | | | | | |
|---|----------------------|---------|--------|---|---------|--------|---|-----|
| 2 | Mr. Anubhav Kathuria | 1210500 | 37.30% | - | 1210500 | 37.30% | - | NIL |
| | Total | 2421000 | 74.61% | | 2421000 | 74.61% | | |

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| Sl. No. | | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year | 2421000 | 74.61 | 2421000 | 74.61 |
| | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N/a | N/a | N/a | N/a |
| | At the end of the year | 2421000 | 74.61 | 2421000 | 74.61 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No | Name | For Each of the Top 10 Shareholders | Shareholding at the end of the year | | Cumulative Shareholding during | |
|--------|--------------------------|-------------------------------------|-------------------------------------|----------------------------------|--------------------------------|----------------------------------|
| | | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Mr. Vagish Pathak | At the beginning of Year | 0 | 0 | | |
| | | Changes During the Year | 613000 | 18.89 | | |
| | | At the End of the year | 613000 | 18.89 | 613000 | 18.89 |
| 2 | Mr. Mukul Kumar Agarawal | At the beginning of Year | 154850 | 4.78 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 154850 | 4.78 | 154850 | 4.78 |
| 3 | Mr. Raman Bhatia | At the beginning of Year | 8500 | 0.26 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 8500 | 0.26 | 8500 | 0.26 |
| | | At the beginning of Year | 8500 | 0.26 | | |

| | | | | | | |
|----|-------------------------|--------------------------|------|------|------|------|
| 4 | Mr. Rakesh Agrawal | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 8500 | 0.26 | 8500 | 0.26 |
| 5 | Mr. Krishan Kumar Gogia | At the beginning of Year | 2175 | 0.07 | | |
| | | Changes During the Year | 0 | 0 | | |
| 6 | Mr. Subhash Chand Jain | At the End of the year | 2175 | 0.07 | 2175 | 0.07 |
| | | At the beginning of Year | 1500 | 0.05 | | |
| 7 | Mr. Sunil Arora | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 1070 | 0.03 | 1070 | 0.03 |
| 8 | Mr. Sundar Das | At the beginning of Year | 200 | 0.01 | | |
| | | Changes During the Year | 0 | 0 | | |
| 9 | Mr. Rahul Deo Berman | At the End of the year | 200 | 0.01 | 200 | 0.01 |
| | | At the beginning of Year | 200 | 0.01 | | |
| 10 | Mr. MD. Kasir Khan | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 200 | 0.01 | 200 | 0.01 |

(V) Shareholding of Directors & KMP

| Sl. No | Name | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the | |
|--------|------------------------------|---------------------------------|-------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Mr. Subhash Chander Kathuria | At the beginning of Year | 1210500 | 37.30 | | |
| | | Changes During the Year | 0 | | | |
| | | At the End of the year | 1210500 | 37.30 | 1210500 | 37.30 |
| 2 | Mr. Anubhav Kathuria | At the beginning of Year | 1210500 | 37.30 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 1210500 | 37.30 | 1210500 | 37.30 |

| | | | | | | |
|---|---------------------------|--------------------------|--------|-------|--------|-------|
| 3 | Mr. Vagish Pathak | At the beginning of Year | 613000 | 18.89 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 613000 | 18.89 | 613000 | 18.89 |
| 4 | Mr. Ajay Kumar Mohanty | At the beginning of Year | 0 | 0 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 0 | 0 | 0 | 0 |
| 5 | Mr. Gurbachan Singh Matta | At the beginning of Year | 0 | 0 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 0 | 0 | 0 | 0 |
| 6 | Mr. Arundhati Kar | At the beginning of Year | 0 | 0 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 0 | 0 | 0 | 0 |
| 7 | Mr. Kapil Vig | At the beginning of Year | 0 | 0 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 0 | 0 | 0 | 0 |
| 8 | Ms. Deepti Gupta | At the beginning of Year | 0 | 0 | | |
| | | Changes During the Year | 0 | 0 | | |
| | | At the End of the year | 0 | 0 | 0 | 0 |

| |
|--|
| |
|--|

VI INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|----------------------------------|-------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | |
| i) Principal Amount | | 16,182,864.00 | 14,480,964 | | 30,663,828 |
| ii) Interest due but not paid | | | | | |
| iii) Interest accrued but not due | | | | | |
| Total (i+ii+iii) | | 16,182,864 | 14,480,964 | | 30,663,828 |
| Change in Indebtedness during the financial year | | | | | |
| Additions | | | | | |
| Reductions | | 16182864 | 11,143,910 | | 27326774 |
| Net Change | | | | | |
| Indebtedness at the end of the financial year | | | | | |
| i) Principal Amount | | | | | |

| | | | | | |
|-----------------------------------|--|----------|----------------|--|----------------|
| ii) Interest due but not paid | | | | | |
| iii) Interest accrued but not due | | | | | |
| Total (i+ii+iii) | | 0 | 3337054 | | 3337054 |

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole time director and/or Manager:

A.

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | Total Amount |
|-------|-------------------------------|----------------------------|---------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions | Mr. Anubhav Kathuria | 180000 |
| | (b) Value of perquisites u/s | - | - |
| | (c) Profits in lieu of salary | - | - |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | as % of profit | | |
| | others (specify) | | |
| 5 | Others, please specify | - | - |
| | Total (A) | - | 180000 |
| | Ceiling as per the Act | | 190700 |

B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration | Name of the Directors | Total Amount |
|-------|--|---------------------------|--------------|
| 1 | Independent Directors | | |
| | (a) Fee for attending board committee Meetings | Mr. Ajay Kumar Mohanty | 0 |
| | | Mr. Gurbachan Singh Matta | 20000 |
| | | Ms. Arundhati Kar | 30000 |
| | (b) Commission | - | - |
| | (c) Others, please specify | - | - |
| | Director Remuneration | | |
| | Director Remuneration | | |
| | Total (1) | - | 50000 |
| 2 | Other Non Executive Directors | | |
| | (a) Fee for attending | Mr. Vagish Pathak | 0 |

| | | |
|--|------------------------------|---------------|
| board committee meetings | Mr. Subhash Chander Kathuria | 0 |
| (b) Commission | - | - |
| (c) Others, please specify. | - | - |
| Total (2) | - | 0 |
| Total (B)=(1+2) | - | 50,000 |
| Total Managerial Remuneration | | 230000 |
| Overall Ceiling as per the Act. | | 190700 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| 1 | Particulars of Remuneration | Key Managerial Personnel | | | | Total |
|---|--|--------------------------|-------------------|-------------------|----------------|----------------|
| | | CEO | Company Secretary | CFO | Total | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | | 139,745.00 | 144,000.00 | 283,745 | 283,745 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax | - | - | - | - | - |
| | (c) Profits in lieu of salary | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission as % of profit others, specify | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total | | 139745.00 | 144,000.00 | 283,745 | 283,745 |

VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding's fees Imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |
| B. DIRECTORS | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |

Details 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 The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

| Relevant Clause u/r 5(1) | Prescribed Requirement | Particulars |
|--------------------------|---|--|
| i. | Ratio of the remuneration of each director to the Median Remuneration to the employees of the company for the financial year | Ratio of the remuneration of Shri Anubhav Kathuria , Managing Director to the median remuneration of employee – 0.51:0.48 |
| ii. | The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year. | There is no increase in remuneration of any director, CFO, CEO, Company Secretary in the financial year. |
| iii. | Percentage increase in median remuneration of employees in the financial year | No Increase |
| iv. | Number of permanent employee on the rolls of the company. | 7 |
| v. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | There is no increase in the remuneration of the Managerial person as compare to the salary increase of the employee's salary in the last year in view of financial position of the company. |
| vi. | Affirmation that the remuneration is as per the remuneration policy of the company. | Remuneration is as per the Nomination and Remuneration Policy for the Directors, KMP and other employees of the company ,formulated pursuant to provisions of section 178 of the Companies Act, 2013 |

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions at arm's length basis

| Sl. No | Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts / arrangements/transaction | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | date(s) of approval by the Board | Amount (in Lakhs). |
|--------|---|---|--|--|--|----------------------------------|--------------------|
| 1. | Mr. Subhash Chander Kathuria | Rent Agreement for the Basement area of A-25, 70, Rama Road Industrial Area, New Delhi-110015 | Renew from time to time | Rent at the rate of Rs. 35000.P.M. | NA | NA | 420.00 |
| 2. | Mr. Subhash Chander Kathuria | Loan Repaid | NA | Repayable on demand | NA | | 50.00 |
| 3. | Kathuria casting Pvt Ltd | Loan Repaid | NA | | NA | | 44.00 |
| 4. | Anubhav Kathuria | Loan Repaid | NA | | NA | | 30.00 |
| 5. | Synergy Global Steel Pvt. Ltd | Loan Repaid | NA | Repayable on demand | NA | NA | 1.5 |
| 6. | M/s. Synergy Steels Limited | Sale, Purchase or supply of any goods or materials; | NA | Sale and Supply of Goods | NA | | 658.00 |

2. Details of material contracts or arrangement or transactions not at arm's length basis: Nil

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

Note: Form shall be signed by the persons who have signed the Board's report.

Date: 30/05/2019

Place: New Delhi

Anubhav Kathuria
Managing Director
DIN: 01198916

Subhash Chander Kathuria
Director
DIN: 00125337

Parul G & Associates

Company Secretaries

Office: W/4, LHS, Upper Ground Floor, Bhagat Singh Gali, Babarpur Road, Shahdara, Delhi 110 032

E-mail: pcsparulgupta@gmail.com

Mob No. +91-9654118496, 9818890646

CERTIFICATE OF PRACTICING COMPANY SECRETARY

To
The Members,
CHAMAK HOLDINGS LIMITED
55-B, Rama Road, Industrial Area,
New Delhi 110015

As required by Item No. 10(i) of part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments from time to time, We hereby certify that none of the Directors on the Board of "**Chamak Holdings Limited**" have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

**For Parul G & Associates
Company Secretaries**

Sd/-

Parul Gupta

C.P. No. 16237

Membership No. F9853

Date: 30th May, 2019

Place: New Delhi

Corporate Governance Report

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 31st 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.

1. Company's Philosophy on Corporate Governance

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- commitment to excellence and customer satisfaction
- maximizing long term shareholders' value
- socially valued enterprise, and
- caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of One Executive Director (ED), Five Non-executive Directors (NED) out of which Three are Independent Directors (IND). Five Board Meetings were held during the Financial Year 2018-19 ended 31st March 2019, on 25th May, 2018, 10th August, 2018, 27th September, 2018, 14th November, 2018 and, 12th February, 2019. Attendance and other details of the Directors are given below:

| Name of the Director | Category | No. of Board Meetings attended | Whether last AGM Attended (28.09.2018) | No. of other Directorships and Committee Memberships/Chairmanship held in other companies | | |
|------------------------------|----------|--------------------------------|--|---|-----------------------|--------------------------|
| | | | | Directorships \$ | Committee Membership* | Committee Chairmanship** |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Sh. Anubhav Kathuria | ED | 5 | Yes | 9 | 1 | 0 |
| Sh. Subhash Chander Kathuria | NED | 5 | Yes | 14 | 1 | 0 |
| Sh. Vagish Pathak | NED | 5 | Yes | 21 | 3 | 0 |
| Sh. Ajay Kumar Mohanty | IND | 5 | Yes | 1 | 6 | 6 |

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| | | | | | | |
|---------------------------|-----|---|----|---|---|---|
| Sh. Gurbachan Singh Matta | IND | 3 | No | 1 | 2 | 0 |
| Smt. Arundhati Kar | IND | 2 | No | 0 | 2 | 1 |

The appointment of Independent Directors is in accordance with the provisions of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

\$ It includes directorship in Private Companies, Public limited & Listed Companies

**Only covers Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.

The Board periodically reviews compliance reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

In accordance with the provision of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 10th November, 2018. Shri Ajay Kumar Mohanty was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

4. AUDIT COMMITTEE

The Company has an Audit Committee of Directors. The Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee Met four times during the year on 25th May, 2018, 10th August, 2018, 14th November, 2018 and 12th February, 2019.

The names of the Members of the Committee and their attendance at the Meetings are as follows:

| Name | Status | No. of Meetings attended |
|------------------------|----------|--------------------------|
| Mr. Ajay Kumar Mohanty | Chairman | 4 |
| Ms. Arundhati Kar | Member | 2 |
| Mr. Vagish Pathak | Member | 4 |

The Company Secretary acts as the Secretary of the Committee.

5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee consisting of three Non-executive Directors out of which two are Independent. The composition and the terms of reference of the Committee are in conformity with the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015.

The Committee met only once during the year on **27TH September, 2018**

| Name | Status | No. of Meetings attended |
|---------------------------|-------------|--------------------------|
| Mr. Ajay Kumar Mohanty | Chairperson | 1 |
| Mr. Gurbachan Singh Matta | Member | Absent |
| Mr. Vagish Pathak | Member | 1 |

6. Stakeholders Relationship Committee

Name of the Shareholder Grievance & Share Transfer Committee changed to Stakeholders Relationship Committee.

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors (Chairman of the Committee is an Independent Director). The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Composition of the Committee

- | | |
|---------------------------|----------|
| 1) Mr. Ajay Kumar Mohanty | Chairman |
| 2) Mr. Vagish Pathak | Member |
| 3) Mr. Anubhav Kathuria | Member |

The Committee met twice during the year. No complaints were received by the Company from the investors. Also, there are no complaints pending in respect of previous period.

7. Disclosures:

Disclosure of all related party transactions has been made in the Notes to accounts of the Balance Sheet presented in this Annual Report.

Disclosure relating to the interest in other entities has been duly received from the Directors in form MBP-1 and duly approved by the Board of Directors in their Meeting.

Disclosure relating to SEBI (Substantial Acquisition of Share and Takeover) Regulations, 2011 has been duly received from the Promoter and other concern persons.

The company has followed the guidelines of accounting standards laid by The Institute of Chartered Accountants of India in preparation of its Financial Statements.

8. General Body Meeting Day, date, time and place of last three Annual General Meeting of the Company.

| Year | Day, Date & Time | Place |
|------|--|--|
| 2016 | Thursday, September 29, 2016 at 2.00 P.M | 55B, Rama Road Industrial Area, New Delhi-110015 |
| 2017 | Thursday, September 28, 2017 at 2.30 P.M | 55B, Rama Road Industrial Area, New Delhi-110015 |
| 2018 | Friday, September, 28, 2018 at 2:30 | 55B, Rama Road Industrial Area, New Delhi-110015 |

9. Minutes

Minutes of the Board Meeting, Committee Meetings and General Body Meetings are prepared, recorded and approved by the Chairman of the Meeting as per the statutory norms.

10. Quarterly Reconciliation of Share Capital Audit Report

A thorough audit is conducted on a quarterly basis by a qualified Company Secretary, in terms of regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The Reconciliation of Share Capital audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

| Quarter Ended | Name of the PCS |
|--------------------|----------------------------|
| June 30, 2018 | Deepti Chawla & Associates |
| September 30, 2018 | US & Associates |
| December 31, 2018 | US & Associates |
| March 31, 2019 | Akshit Gupta & Associates |

11. Compliance of Quarterly Results as per Regulation 33 & 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

The company follows April-March financial year and as per the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the company has to prepared, approve at the Board Meeting, Submission of Results to Stock Exchanges and publication in the News Paper of Notice of Board Meeting & Quarterly Results.

The company as per Regulation 33 & 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 , has to publish the quarterly results in one English Newspaper & in one vernacular newspaper.

Our company published its Quarterly results as well as Notice of Board Meeting in the Financial Express (English) and Hari Bhoomi (Hindi).

12. Listing of Share/Securities of the Company

The Company's Equity Share are listed in the following stock exchanges

| Name of the Stock Exchanges |
|--|
| Bombay Stock Exchanges Limited |
| Metropolitan Stock Exchange of India Limited (Formerly MCX-SX) |

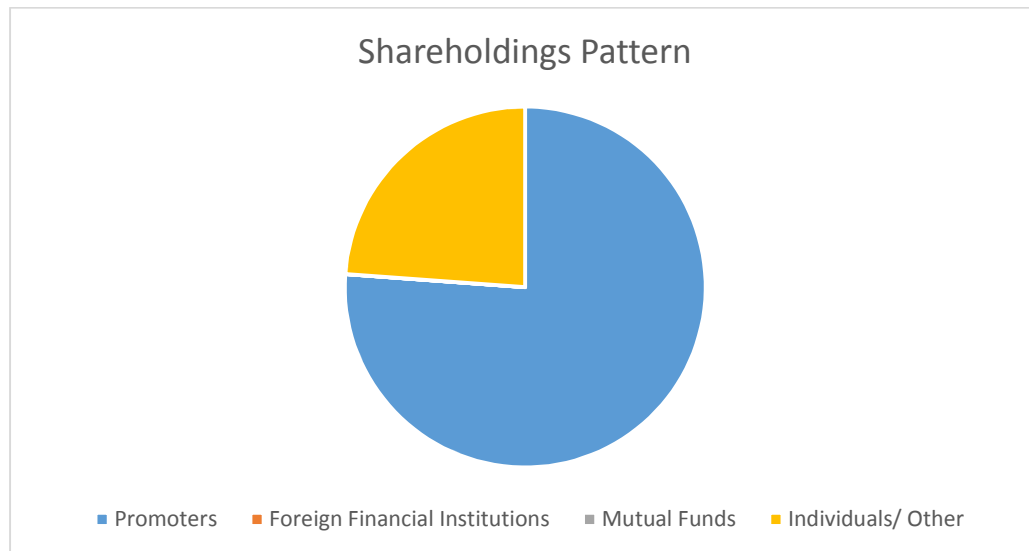
Fee has been paid to all stock exchanges.

13. Dematerialization of Share

Nearly 98.27 % shares of our company is dematerialized as on March 31, 2019. Further 100% Shareholding of the Promoter and Promoter Group is in Demat Form.

14. Shareholding Pattern

Our company has total 3245000 outstanding Equity Shares out of which 2421000 is held by promoter which is nearly 74.61% of total outstanding equity shareholding of the company.



15. General Shareholder Information

| | | |
|------------------------------------|---|---|
| Day, Date, Time & Place of AGM | : | September 28, 2019 at 02.30 P.M at 55B, Rama Road Industrial Area, New Delhi-110015 |
| Financial Year | : | April 01, 2018 to March 31, 2019 |
| Dividend Payment | : | Nil |
| Cut off Date | : | September 20, 2019 |
| Book Closure | : | September 22, 2019 to September 28, 2019 |
| Contact Details for Correspondence | : | 011-45691047 www.chamakhholdings.com |

16. Report on Corporate Governance

This report read together with the information given in Directors' Report which includes Management Discussion & Analysis Report along with the other annexures to the Board Report.

Date: 30/05/2019
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT ON IND-AS FINANCIAL STATEMENTS

To the members of **Chamak Holdings Limited**

Opinion:

We have audited the accompanying Ind-AS financial statements of **Chamak Holdings Limited** (“the Company”) which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and those charged with governance for the Ind-AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Ind AS Financial Statement:

Our objectives are to obtain reasonable assurance about whether the Ind-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Ind-AS financial statements.

A further description of the auditor's responsibilities for the audit of the Ind-AS financial statements is included in "**Annexure A**". This description forms part of our auditor's report.

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 the "**Annexure B**" 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 purpose 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with of the Companies (Indian Accounting Standard) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have pending litigations which would impact on its financial position in its Ind-AS financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for SBD & Co.
Chartered Accountants
Firm Registration No. 024005N
By the hand of

May 30, 2019
New Delhi

Brijinder Bhushan Deora
Partner
Membership No. 003885

**ANNEXURE 'A' OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
IND AS FINANCIAL STATEMENTS OF CHAMAK HOLDING LIMITED**

Responsibilities for Audit of Financial Statement:

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

- (i) Identify and assess the risks of material misstatement of the Ind-AS 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.
- (ii) 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 system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 auditor's report to the related disclosures in the Ind-AS 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the Ind-AS financial statements, including the disclosures, and whether the Ind-AS 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.

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.

Chamak Holdings Limited
Annual Report 2018-19

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind-AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for SBD & Co.
Chartered Accountants
Firm Registration No. 024005N
By the hand of

May 30, 2019
New Delhi

Brijinder Bhushan Deora
Partner
Membership No. 003885

**ANNEXURE 'B' OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
IND AS FINANCIAL STATEMENTS OF CHAMAK HOLDING LIMITED**

- i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per information and explanation given to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable property.
- ii) The inventories were physically verified by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt within the books of account.
- 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 Act.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provision of section 185 and 186 of the Act, in respect of loans, investments and guarantees and security.
- v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act.
- vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of activities carried out by the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, goods and service tax, cess, and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2019, for a period more than six months from the date of the became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, duty of customs, duty of excise, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.

Chamak Holdings Limited
Annual Report 2018-19

- 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. The Company does not have any loans or borrowings from financial institutions, government and debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer but term loans have been obtained during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a nidhi company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed under note no. 23 of Ind AS financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year under review. Accordingly, we are not offering any comment with respect to compliance of requirement of section 42 of the Act and utilization of the money.
- xv) On the basis of records made available to us and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SBD & Co.
Chartered Accountants
Firm Registration No. 024005N
By the hand of

May 30, 2019
New Delhi

Brijinder Bhushan Deora
Partner
Membership No.003885

**ANNEXURE ‘C’ OF INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE
IND AS FINANCIAL STATEMENTS OF CHAMAK HOLDING LIMITED**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of the section
143 of the Act**

We have audited the internal financial controls over financial reporting of **Chamak Holdings Limited** (“the Company”) as of March 31, 2019, in conjunction with our audit of the Ind AS 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 laying down 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 (Guidance Note) issued by the Institute 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 (the Act).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Standards of Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 issued by the ICAI.

For SBD & CO.
Chartered Accountants
Firm Registration No. 024005N
By the hand of

May 30, 2019
New Delhi

Brijinder Bhushan Deora
Partner
Membership No.003885

BALANCE SHEET AS AT MARCH 31, 2019

| | Notes | March 31, 2019 Rs. | March 31, 2018 Rs. |
|-------------------------------------|-------|-----------------------|-----------------------|
| ASSETS | | | |
| Non current assets | | | |
| Property, plant and equipment | 3 | 1,558,485 | 1,896,222 |
| Financial assets | | | |
| Investments | 4 | 10,368,000 | 20,430,900 |
| Deferred tax assets | 5 | - | 2,670,445 |
| Other non current assets | 6 | 5,731,200 | 5,731,200 |
| | | 17,657,685 | 30,728,767 |
| Current assets | | | |
| Inventories | 7 | 35,903,889 | 30,016,444 |
| Financial assets | | | |
| Trade receivables | 8 | 23,595,946 | 59,512,091 |
| Investments | 9 | 8,019,730 | 8,365,000 |
| Cash and cash equivalents | 10 | 5,883,080 | 18,807,730 |
| Other bank balances | 11 | 31,877,143 | 30,076,214 |
| Other financial assets | 12 | 1,919,712 | 1,692,607 |
| Other current assets | 13 | 8,233,134 | 53,126,556 |
| | | 115,432,634 | 201,596,642 |
| TOTAL ASSETS | | 133,090,319 | 232,325,409 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 14 | 32,450,000 | 32,450,000 |
| Other equity | | (19,235,364) | (4,349,389) |
| | | 13,214,636 | 28,100,611 |
| Liabilities | | | |
| Non-current liabilities | | | |
| <i>Financial liabilities</i> | | | |
| Borrowings | 15 | 3,337,054 | 9,480,964 |
| Deferred tax liability | 5 | 85,761 | 545,504 |
| | | 3,422,815 | 10,026,468 |
| Current liabilities | | | |
| <i>Financial liabilities</i> | | | |
| Borrowings | 16 | - | 21,182,868 |
| Trade payables | 17 | 110,267,960 | 165,652,561 |
| Other financial liabilities | 18 | 184,908 | 1,362,901 |
| Other current liabilities | 19 | 6,000,000 | 6,000,000 |
| | | 116,452,868 | 194,198,330 |
| Total liabilities | | 119,875,683 | 204,224,798 |
| TOTAL EQUITY AND LIABILITIES | | 133,090,319 | 232,325,409 |

SIGNIFICANT ACCOUNTING POLICIES

1-2

NOTES TO THE FINANCIAL STATEMENTS

3-38

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For SBD & Co.

Chartered Accountants

By the hand of

Anubhav Kathuria

Managing Director

DIN No. 01198916

Subhash Chand Kathuria

Director

DIN No. 00125337

Brijinder Bhushan Deora

Partner

Membership No. 003885

May 30, 2019

New Delhi

Deepti Gupta

Company Secretary

Membership No. A55551

Kapil Vig

Chief Financial Officer

PAN -AETPV2135A

CHAMAK HOLDINGS LIMITED

Regd. Office: 55-B, Rama Road Industrial Area, New Delhi - 110015, CIN - L5149DL1984PLC019684

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

| | Notes | Year Ended March 31, 2019 Rs. | Year Ended March 31, 2018 Rs. |
|--|-----------|-------------------------------------|-------------------------------------|
| INCOME | | | |
| Revenue from operations | 20 | 696,050,367 | 570,631,542 |
| Other income | 21 | 5,788,152 | 11,055,882 |
| Total Income | | <u>701,838,519</u> | <u>581,687,424</u> |
| EXPENSES | | | |
| Purchases | | 645,842,131 | 575,244,142 |
| Changes in inventory of finished goods | 22 | 15,550,523 | (15,873,469) |
| Employees benefit expenses | 23 | 1,831,104 | 1,441,542 |
| Finance costs | 24 | 7,186,642 | 3,398,562 |
| Depreciation | 3 | 337,737 | 352,423 |
| Other expenses | 25 | 29,183,373 | 4,949,126 |
| Total Expense | | <u>699,931,510</u> | <u>569,512,326</u> |
| Profit/(Loss) before exceptional items and tax | | 1,907,009 | 12,175,098 |
| Less: Exceptional items | | 1,492,505 | 11,026,015 |
| Profit/(Loss) before tax | | 414,504 | 1,149,083 |
| Less/(-Add): Tax expense | | | |
| Current tax | | 2,264,241 | 1,420,280 |
| Tax Provision of earlier year | | 58,962 | - |
| Deferred tax | | 2,210,702 | (163,927) |
| Profit after tax | | <u>(4,119,401)</u> | <u>(107,270)</u> |
| Add: Other comprehensive income/(Loss) | | (10,062,900) | 3,329,100 |
| Total Comprehensive Income | | <u>(14,182,301)</u> | <u>3,221,830</u> |
| Earnings per equity share [par value of Rs. 10 (Rs. 10) each] | 28 | | |
| 1. Basic | | (0.44) | 0.10 |
| 2. Diluted | | (0.44) | 0.10 |

SIGNIFICANT ACCOUNTING POLICIES

1-2

NOTES TO THE FINANCIAL STATEMENTS

3-38

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For SBD & Co.

Chartered Accountants

By the hand of

Anubhav Kathuria

Managing Director

DIN No. 01198916

Subhash Chand Kathuria

Director

DIN No. 00125337

Brijinder Bhushan Deora

Partner

Membership No. 003885

May 30, 2019

New Delhi

Deepti Gupta

Company Secretary

Membership No. A5551

Kapil Vig

Chief Financial Officer

PAN -AETPV2135A

CHAMAK HOLDINGS LIMITED

Regd. Office: 55-B, Rama Road Industrial Area, New Delhi - 110015, CIN - L5149DL1984PLC019684

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

| | Equity share capital (A) | OTHER EQUITY | | | Total Other Equity (B) | Total equity attributable to equity holders of the Company (A)+(B) |
|-------------------------------------|--------------------------|--------------------|---------------------|----------------------------|------------------------|--|
| | | Reserve & Surplus | | | | |
| | | Securities premium | Retained Earnings | Other Comprehensive Income | | |
| Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Balance as at April 1, 2018 | 32,450,000 | 9,000,000 | (18,104,089) | 4,754,700 | (4,349,389) | 28,100,611 |
| Ind AS adjustments | - | - | (703,674) | - | (703,674) | (703,674) |
| Profit for the year | - | - | (4,119,401) | (10,062,900) | (14,182,301) | (14,182,301) |
| Balance as at March 31, 2019 | 32,450,000 | 9,000,000 | (22,927,164) | (5,308,200) | (19,235,364) | 13,214,636 |

As per our report of event date.

For SBD & Co.
Chartered Accountants
By the hand of

Anubhav Kathuria
Managing Director
DIN No. 01198916

Subhash Chand Kathuria
Director
DIN No. 00125337

Brijinder Bhushan Deora
Partner
Membership No. 003885
May 30, 2019
New Delhi

Deepti Gupta
Company Secretary
Membership No. A55551

Kapil Vig
Chief Financial Officer
PAN -AETPV2135A

1 Corporate Information

Chamak Holdings Limited (CIN: L51494DL1984PLC019684) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange. The Company is primarily engaged in trading of steel scraps and other material used in Iron and Steel industries.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**A) Basis of preparation of financial statements****(a) Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) issued under the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange board of India (SEBI). The Ind AS are prescribed under Section 133 of the act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments made thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.), which is the Company's functional currency. All amounts have been rounded to the nearest rupees.

(c) Basis of Measurement

The financial statements are prepared in accordance with the historical cost convention basis, except for certain items that are measured at fair values.

(d) Use of Estimate

The preparation of financial statements in conformity with the Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of the contingent asset and contingent liability at the date of the financial statements and reported amount of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimate are made as the management become aware of the change in circumstances surrounding the estimates. Change in the estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effect are disclosed in the notes to financial statements.

(e) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements issued by the Ministry of Corporate Affairs based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

B) Recent accounting pronouncement

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

Full retrospective :Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective : Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date Certain practical expedients are available under both the methods.

On completion of the evaluation of the Ind AS 116, The Company found that underlying value of The Assets of the company is of low value, and according to Para 4 "Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value". Therefore Company is carrying leased assets as per earlier accounting standard.

C) Significant accounting policies

(a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost directly attributable to acquisition are capitalised until the Property, Plant and Equipment are ready for use as intended by the management.

Property, Plant and Equipment are derecognised from financial statements, either on disposal or when no economic benefits are expected from its use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gains or losses are recognized in the Statement of Profit and Loss. Property, Plant and Equipment, which are to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on Property, Plant and Equipment commences when these assets are ready for their intended use. Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of these assets, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Depreciation on Property, Plant and Equipment purchased or sold during the year is proportionately charged.

Depreciation methods, useful lives and residual values of Property, Plant and Equipment are reviewed periodically, including at each financial year end by the management of the Company.

(b) Impairment of non financial assets

Property, Plant and Equipment 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.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and 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 measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets :

Recognition: Financial assets include investments, trade receivables, other financial assets, cash and cash equivalents including other bank balances etc. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the asset

Financial assets are classified as those measured at:

- (a.) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- (b.) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c.) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

In case of investment in equity shares

Investment in equity instruments, which are held for trading, are measured at FVTPL and equity instruments which are available for sale are measured at FVTOCI as per Ind As 109 "Financial Instruments".

Debt instruments:

Debt instruments are measured at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included as part of other income using the effective interest rate method.

Other:

Trade receivables, financial assets, cash and cash equivalents etc., are reclassified for measurement at amortised cost.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since its initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a.) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b.) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Financial Liabilities

Initial and subsequent recognition: Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

De-recognition: Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and settled on expiry.

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.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

(d) Claims, Provisions, Contingent assets and Liabilities:

Claims lodged by and lodged against the Company are accounted in the year of payment or settlement thereof.

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Contingent liabilities are not recognised but are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved. Contingent assets are neither recognised nor disclosed in the financial statements.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying the economic benefit has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

(e) Recognition of revenue and expenditure

- (i) Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on the behalf of the government.

Revenue is recognised in the period in which the services are rendered and the amount of revenue can be measured reliably and recovery of the consideration is probable.

- (ii) **Interest and dividend income**

Interest income is recognised using Effective Interest Method (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of financial instruments or a shorter period, where appropriate, to the gross carrying amount of the asset or to the amortised cost of financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

(f) Employee benefits

Benefits such as salaries, wages and short term compensations etc. is recognized in the period in which the employee renders the related service.

(g) Borrowing cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged to Statement of Profit and Loss as expense in the year in which they are incurred.

(h) Taxes on income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

(i) Foreign currency transactions and translation

Transactions denominated in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items at the year end are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

(j) Prior period errors

Prior Period Errors are omissions from, and misstatements in, prior period financial statements resulting from the failure to use, or the misuse of, reliable information that was available, or could be reasonably expected to have been obtained, at the time of preparation of those financial statements.

Prior Period Errors has been corrected retrospectively in the financial statements. Retrospective application means that the correction affects only prior period comparative figures, current period amounts are unaffected. Comparative amounts of each prior period presented which contain errors are restated. If however, an error relates to a reporting period that is before the earliest prior period presented, then the opening balances of assets, liabilities and equity of the earliest prior period presented has been restated. (As per IAS 8).

(k) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also, the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(l) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(m) Cash and cash equivalents

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

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

3 Property, plant and equipment

| Particulars | Office | Car | Total |
|---------------------------------------|------------|-----------|------------------|
| | equipments | | |
| | Rs. | Rs. | Rs. |
| Gross carrying value | | | |
| As at March 31, 2018 | 48,230 | 2,844,100 | 2,892,330 |
| -Additions | - | - | - |
| -Disposals | - | - | - |
| As at March 31, 2019 | 48,230 | 2,844,100 | 2,892,330 |
| Depreciation and Impairment | | | |
| As at March 31, 2018 | 45,819 | 950,290 | 996,108 |
| Depreciation charge during the period | - | 337,737 | 337,737 |
| Adjustments | - | - | - |
| As at March 31, 2019 | 45,819 | 1,288,027 | 1,333,845 |
| Net Book Value | | | |
| As at March 31, 2019 | 2,412 | 1,556,073 | 1,558,485 |
| As at March 31, 2018 | 2,412 | 1,893,810 | 1,896,222 |

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

| | | | March 31, 2019 | March 31, 2018 |
|---|-------------------|-------------------|---|---|
| | | | Rs. | Rs. |
| 4 Investments | | | | |
| <i>In equity instruments:</i> | | | | |
| Sun Pharma Advance Research Ltd. 54,000 (March 31, 2018: 54,000) equity shares of Rs. 560.55 (March 31, 2018: Rs. 378.35) each | | | 10,368,000 | 20,430,900 |
| | | | <u>10,368,000</u> | <u>20,430,900</u> |
| 5 Deferred tax: | | | | |
| | March 31, 2019 | March 31, 2018 | Charged to Statement of Profit and Loss for the year ended March 31, 2019 | Charged to Statement of Profit and Loss for the year ended March 31, 2018 |
| | Rs. | Rs. | Rs. | Rs. |
| i) Deferred tax asset | | | | |
| On Investments | - | 2,670,445 | (2,670,445) | (644,620) |
| | <u>-</u> | <u>2,670,445</u> | <u>(2,670,445)</u> | <u>(644,620)</u> |
| ii) Deferred tax liabilities | | | | |
| On Property, plant and equipment | 18,695 | 45,222 | 26,526.92 | 12,988 |
| On Borrowings | 67,066 | 500,282 | 433,216 | 795,559 |
| Net deferred tax assets/(liabilities) (i-ii) | <u>(85,761)</u> | <u>2,124,942</u> | <u>(2,210,702)</u> | <u>163,927</u> |
| 6 Other non current assets | | | | |
| Capital advance* | | | 5,731,200 | 5,731,200 |
| | | | <u>5,731,200</u> | <u>5,731,200</u> |
| *Capital advance is in respect of an application made to Haryana Urban Development Authority for allotment of institutional bay site admeasuring 1,079 sq. mtr. at Sector 32, Gurgaon, Haryana. | | | | |
| 7 Inventories | | | | |
| Closing stock in hand | | | 322,946 | 15,873,469 |
| Goods in transit | | | 35,580,943 | 14,142,975 |
| | | | <u>35,903,889</u> | <u>30,016,444</u> |
| 8 Trade receivables | | | | |
| Unsecured, considered good | | | 23,595,946 | 59,512,091 |
| | | | <u>23,595,946</u> | <u>59,512,091</u> |
| Trade receivable stated above include debts due by: | | | | |
| - Company in which director of the Company is director | | | 11,333,145 | 24,483,775 |
| - Proprietorship concern of director of the Company | | | - | - |
| | | | <u>11,333,145</u> | <u>24,483,775</u> |
| 9 Investments | | | | |
| <i>In equity instruments:</i> | | | | |
| a) Hindustan Copper Ltd. 9,800 (March 31, 2018: 20,000) equity shares of Rs. 62.30 (March 31, 2018: Rs. 62.95) each | | | 479,710 | 1,259,000 |
| b) Aban Offshore Ltd. 5,000 (March 31, 2018: 5,000) equity shares of Rs. 111.75 (March 31, 2018: Rs. 159.25) each | | | 288,250 | 796,250 |
| c) Bharat Electronics Ltd. 9,900 (March 31, 2018: 10,000) equity shares of Rs. 108.70 (March 31, 2018: Rs. 142.05) each | | | 923,670 | 1,420,500 |
| d) Firstsource Solutions Ltd. Nil (March 31, 2018: 20,000) equity shares of Nil (March 31, 2018: Rs. 53.00) each | | | - | 1,060,000 |
| e) Moil Ltd. 14,900 (March 31, 2018: 15,000) equity shares of Rs. 173.65 (March 31, 2018: Rs. 195.75) each | | | 2,369,100 | 2,936,250 |
| f) Snowman Logistics Ltd. 20,000 (March 31, 2018: 20,000) equity shares of Rs. 41.75 (March 31, 2018: Rs. 44.65) each | | | 659,000 | 893,000 |
| g) PC Jewellers Ltd. 40,000 (March 31, 2018: Nil) equity shares of of Rs. 54.60 (March 31, 2018: Nil) each | | | 3,300,000 | - |
| | | | <u>8,019,730</u> | <u>8,365,000</u> |

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

| | March 31, 2019 | March 31, 2018 |
|---|-------------------|-------------------|
| | Rs. | Rs. |
| 10 Cash and cash equivalents | | |
| Balances with banks | | |
| - on current account | 5,809,135 | 18,707,385 |
| Cash on hand | 73,945 | 100,345 |
| | <u>5,883,080</u> | <u>18,807,730</u> |
| 11 Other bank balances | | |
| Earmarked Balance | | |
| - Margin money account | - | - |
| - Fixed deposit account* | 31,877,143 | 30,076,214 |
| | <u>31,877,143</u> | <u>30,076,214</u> |
| *Lodged with banks as margin money and includes fixed deposits with maturity of more than 3 months. | | |
| 12 Other financial assets | | |
| Security deposit | 408,905 | 260,826 |
| Interest accrued but not due | 755,289 | 719,744 |
| Other financial assets | 755,518 | 712,037 |
| | <u>1,919,712</u> | <u>1,692,607</u> |
| 13 Other current assets | | |
| Prepaid expenses | 3,463,428 | 116,553 |
| Balance with Government authority | 3,651,562 | 3,528,519 |
| Advances to suppliers | 1,088,144 | 49,481,484 |
| Other advances | 30,000 | - |
| | <u>8,233,134</u> | <u>53,126,556</u> |
| 14 Equity share capital | | |
| Authorized Share Capital | | |
| 32,45,000 (March 31, 2018: 32,45,000) | | |
| equity shares of Rs.10 (March 31, 2018: Rs.10) each | 32,450,000 | 32,450,000 |
| 5,000 (March 31, 2018: 5,000) | 500,000 | 500,000 |
| 9% cumulative preference shares of Rs. 100 (March 31, 2018: Rs.100) each | | |
| | <u>32,950,000</u> | <u>32,950,000</u> |
| Issued Share Capital | | |
| 32,45,000 (March 31, 2018: 32,45,000) | | |
| equity shares of Rs.10 (March 31, 2018: Rs.10) each | 32,450,000 | 32,450,000 |
| | <u>32,450,000</u> | <u>32,450,000</u> |
| Subscribed and paid up Capital | | |
| 32,45,000 (March 31, 2018: 32,45,000) | | |
| equity shares of Rs.10 (March 31, 2018: Rs.10) each fully paid up | 32,450,000 | 32,450,000 |
| | <u>32,450,000</u> | <u>32,450,000</u> |

Notes:
a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

| | March 31, 2019 | | March 31, 2018 | |
|--|----------------|------------|----------------|------------|
| | Number | Rs. | Number | Rs. |
| Outstanding at the beginning of the year | 3,245,000 | 32,450,000 | 3,245,000 | 32,450,000 |
| Outstanding at the end of the year | 3,245,000 | 32,450,000 | 3,245,000 | 32,450,000 |

b) Terms/rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Rs. 10/- each) in its issued, subscribed and paid up Equity share capital. Each shareholder is entitled to one vote per share. Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to share holding. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

c) Details of shareholders holding more than 5% shares in the Company

| | March 31, 2019 | | March 31, 2018 | |
|------------------------------|----------------|-----------|----------------|-----------|
| | Number | % holding | Number | % holding |
| i) Anubhav Kathuria | 1,210,500 | 37% | 1,210,500 | 37% |
| ii) Subhash Chander Kathuria | 1,210,500 | 37% | 1,210,500 | 37% |
| iii) Vagish Pathak | 613,000 | 19% | 613,000 | 19% |

d) No bonus issue, buy back of shares and issue of shares other than cash in last five years.

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

| | March 31, 2019 Rs. | March 31, 2018 Rs. |
|--|-----------------------|-----------------------|
| 15 Borrowings | | |
| <i>Non current</i> | | |
| (Unsecured) | | |
| Loan from related parties | 3,337,054 | 9,480,964 |
| | <u>3,337,054</u> | <u>9,480,964</u> |
| Loans from related parties represents non-interest bearing unsecured loans obtained from directors and enterprises over which key management personnel exercise control, which are repayable wherever stipulated as mutually agreed. There is no repayment of principal or payment of interest due by the Company as at the year end. | | |
| 16 Borrowings | | |
| <i>Current</i> | | |
| Secured | | |
| <i>Loans repayable on demand</i> | | |
| - From banks as buyer's credit | - | 16,182,868 |
| Unsecured | | |
| From related party | - | 5,000,000 |
| | <u>-</u> | <u>21,182,868</u> |
| 17 Trade payables | ##### | |
| Due to micro, small and medium enterprises* | - | - |
| Other trade payables | 110,267,960 | 165,652,561 |
| | <u>110,267,960</u> | <u>165,652,561</u> |
| *The Company has not received full information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) and hence, disclosure relating to amount unpaid as at year end together with interest paid/ payable have been given based on the information so far available with the Company/ identified by the Company's management. | | |
| 18 Other financial liabilities | ##### | |
| Expenses payables | 7,896 | 670,079 |
| Employees salary and other benefits payable | 134,973 | 129,067 |
| Duties and taxes | 15,039 | 31,888 |
| Audit fees payable | 27,000 | 33,237 |
| Interest payable | - | 498,630 |
| | <u>184,908</u> | <u>1,362,901</u> |
| 19 Other current liabilities | | |
| Other Payables | 6,000,000 | 6,000,000 |
| | <u>6,000,000</u> | <u>6,000,000</u> |
| 20 Revenue from operations | | |
| Sale of goods | 672,520,214 | 567,131,864 |
| Other direct Income | 23,530,153 | 3,499,678 |
| | <u>696,050,367</u> | <u>570,631,542</u> |
| 21 Other income | | |
| Interest on Fixed Deposit | 2,040,528 | 1,818,746 |
| <i>Other Non Operating Income</i> | | |
| - Gain on exchange fluctuation | - | 7,363,533 |
| - Amount written back | 160,615 | - |
| -Profit on sale of investment | - | 1,633,959 |
| -Claim of deficient quality | 3,377,571 | 108,000 |
| -Dividend income | 114,300 | 61,000 |
| -Miscellaneous Income | 95,138 | 70,643 |
| | <u>5,788,152</u> | <u>11,055,882</u> |
| 22 Changes in inventories of finished goods | | |
| Opening Stock | 15,873,469 | - |
| Less : Closing Stock | 322,946 | 15,873,469 |
| | <u>15,550,523</u> | <u>(15,873,469)</u> |

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

| | Year Ended March 31, 2019 Rs. | Year Ended March 31, 2018 Rs. |
|--|-------------------------------------|-------------------------------------|
| 23 Employee benefit expenses | | |
| Salaries, wages, bonus, etc | 1,831,104 | 1,441,542 |
| | <u>1,831,104</u> | <u>1,441,542</u> |
| 24 Finance costs | | |
| Interest due to fair valuation of borrowings | 657,415 | 1,353,130 |
| Interest paid | 2,635,146 | - |
| Bank charges | 3,894,080 | 2,045,432 |
| | <u>7,186,642</u> | <u>3,398,562</u> |
| 25 Other expenses | | |
| Legal and professional charges | 137,358 | 454,907 |
| Directors sitting fee | 60,000 | 56,500 |
| Rent | 1,120,000 | 635,750 |
| Fees and subscription | 336,000 | 336,750 |
| Insurance | 56,749 | 53,117 |
| Electricity | 96,896 | 71,987 |
| Payment to auditors | | |
| - Certification fee | 30,000 | 30,000 |
| - Audit fee | 30,000 | - |
| Printing and stationary | 5,300 | 4,920 |
| Advertisement | 39,816 | 26,172 |
| Interest on duties and taxes | 2,563 | 60,494 |
| Loss on Investments (Fair valued + Actual) | 7,438,065 | 2,971,395 |
| Loss on exchange fluctuation | 19,732,516 | - |
| Miscellaneous | 98,110 | 247,134 |
| | <u>29,183,373</u> | <u>4,949,126</u> |

26 Contingent liability not provided for:

Letters of credit established in favour of the suppliers of Rs. 12,45,38,768 (Rs.13,85,22,897).

27 Net gain on foreign exchange fluctuation for the year Rs. (-1,97,32,516) (previous year Rs.73,63,533) (debited)/credited to the Statement of Profit and Loss.

28 Earnings per share

EPS is calculated by dividing the profit after tax attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

| Particulars | | March 31, 2019 | March 31, 2018 |
|---|------|----------------|----------------|
| (a) Net profit available for equity shareholders | Rs. | (14,182,301) | 3,221,830 |
| (b) Weighted average number of equity shares outstanding for calculation of | | | |
| - Basic and diluted earnings per share | Nos. | 32,450,000 | 32,450,000 |
| - Diluted earnings per share | Nos. | 32,450,000 | 32,450,000 |
| (c) Nominal value | Rs. | 10 | 10 |
| (d) Earnings per share (a)/(b) | | | |
| - Basic and diluted | Rs. | (0.44) | 0.10 |
| - Diluted | Rs. | (0.44) | 0.10 |

29 Related Party Disclosures

Pursuant to Indian Accounting Standard (Ind AS 24)-"Related Party Disclosure" issued by "Ministry of Corporate Affairs" following parties are to be treated as related parties along with their relationships:

i) Name of related parties and description of relationships :

a) Key management personnel

| | |
|--------------------------|--------------------------------|
| Anubhav Kathuria | Managing Director |
| Subhash Chander Kathuria | Director |
| Subhash Jain | Director |
| Vagish Pathak | Director |
| Gurbachan Singh Matta | Independent Director |
| Ajay Kumar Mohanty | Independent Director |
| Arundhati Kar | Women cum independent Director |
| Kapil Vig | Chief Financial Officer |
| Arvind Kumar Tiwari* | Company Secretary |
| Vanshika** | Company Secretary |

* Resigned on August 11, 2018

**Appointment on September 27, 2018

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

b) Enterprises over which key management personnel or their relatives are able to exercise control

| | |
|---|---|
| Anita International (Proprietorship concern)* | Himalaya Estate Private Limited |
| Alwar Rolling Mills Private Limited | Life Medicare & Biotech Private Limited |
| Geetanjali Properties Private Limited | Surya Finvest Private Limited |
| Kathuria Casting Private Limited | Ramnika Estates Private Limited |
| Synergy Global Steels Private Limited | |
| Synergy Oil and Gas Exploration Private Limited | |
| Synergy Steels Limited | |
| Katyaini Images (India) Private Limited | |

*Proprietorship concern of Subhash Chander Kathuria, Director of the Company.

Note: Related parties relationship is as identified by the management.

ii) Transactions with related parties during the year:

| Nature of transaction | Related party | Year ended | Year ended |
|--|--------------------------------------|----------------|----------------|
| | | March 31, 2019 | March 31, 2018 |
| | | Rs. | Rs. |
| Services as managing director | Anubhav Kathuria | 180,000 | 180,000 |
| Rent paid | Subhash Chander Kathuria | 420,000 | 464,450 |
| Director sitting fees | Arundhati Kar | 30,000 | 15,000 |
| Director sitting fees | Gurbachan Singh Matta | 30,000 | 40,000 |
| Loan taken during the year | Subhash Chander Kathuria | - | 5,000,000 |
| Remuneration to KMP | Vanshika | 139,745 | - |
| Remuneration to KMP | Kapil Vig | 144,000 | 144,000 |
| Loan repaid during the year | Subhash Chander Kathuria | 5,000,000 | - |
| Loan repaid during the year | Kathuria Casting Pvt Ltd | 4,400,000 | - |
| Loan repaid during the year | Anubhav Kathuria | 3,000,000 | - |
| Loan repaid during the year | Synergy Global Steel Private limited | 105,000 | 7,600,000 |
| Amount paid during the year | Katyaini Images (India) Pvt. Ltd. | - | 1,900,000 |
| Amount written off | Katyaini Images (India) Pvt. Ltd. | 160,615 | - |
| Sales | Synergy Steels Ltd | 626,416,549 | 470,559,849 |
| Debit note issued for rate differences | Synergy Steels Ltd | 31,614,825 | - |
| Amount charged to Retained earning via Ind As adj. | Kathuria Casting Pvt Ltd | 712,000 | - |
| Amount charged to Retained earning via Ind As adj. | Synergy Global Steel Private limited | 8,328 | - |
| Notional Interest Expenses | Kathuria Casting Pvt Ltd | 208,755 | 372,776 |
| Notional Interest Expenses | Anubhav Kathuria | 277,768 | 478,316 |
| Notional Interest Expenses | Subhash Chander Kathuria | 170,893 | 152,583 |
| Notional Interest Expenses | Synergy Steels Ltd | - | 349,455 |

iii) Amount outstanding as at March 31, 2019:

| Account head | | March 31, 2019 | March 31, 2018 |
|-------------------------|--------------------------------------|----------------|----------------|
| | | Rs. | Rs. |
| Long term borrowings | Subhash Chander Kathuria | 1,595,000 | 1,424,107 |
| Long term borrowings | Anubhav Kathuria | 1,742,054 | 4,464,286 |
| Long term borrowings | Kathuria Casting Pvt. Ltd. | - | 3,479,244 |
| Long term borrowings | Synergy Global Steel Private limited | - | 113,328 |
| Rent payable | Subhash Chander Kathuria | - | 2,686 |
| Trade receivables | Synergy Steels Ltd. | 11,333,145 | 24,483,775 |
| Trade payable | Katyaini Images (India) Pvt. Ltd. | - | 160,615 |
| Salary Payable | Vanshika | 8,420 | - |
| Salary Payable | Kapil Vig | 12,000 | 12,000 |
| Director salary payable | Anubhav Kathuria | 15,000 | 15,000 |

30 Segment Reporting as required under Indian Accounting Standard - 108 "Operating Segments", issued by the "Ministry of Corporate Affairs", is not applicable, as more than 90% of revenue of the Company comes from a single segment.

31 Purchases in respect of goods traded by the company under broad heads:

| Particulars | March 31, 2019 | March 31, 2018 |
|-------------------------|----------------|----------------|
| | Rs. | Rs. |
| Purchase of Steel scrap | 331,519,449 | 72,280,337 |
| Purchase of Alloys | 238,012,520 | - |

CHAMAK HOLDINGS LIMITED**Notes to the financial statements as at and for the year ended March 31, 2019**

| | | | |
|-----------|---|--------------|------------|
| 32 | Value of imports calculated on C.I.F basis during the year. | | |
| | Purchase of Steel scrap | 331,519,449 | 72,280,337 |
| | Purchase of Alloys | 212,768,840 | - |
| 33 | Classification of Other Comprehensive Income | | |
| | Other Comprehensive Income/(Loss) that will not will be reclassified to P&L A/c | | |
| | Equity Instrument through Other Comprehensive Income | (10,062,900) | 3,329,100 |

34 Financial risk management**i) Financial instrument by category**

- a) Investment in equity instruments are measured in accordance with Ind AS 109, "Financial Instruments" issued by "the Ministry of Corporate Affairs", Government of India.
- b) For amortised cost instruments, carrying value represents the best estimate of fair value.

ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures the amounts are within defined limits.

Credit risk management: The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

Credit risk exposures: The Company's trade receivables does not have any expected credit loss as they are generally within the credit period. In case of non recoverability in extreme cases, the Company, accordingly, provides for the same in its books of account instead of writing it off permanently.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains adequate liquidity for meeting its obligations by monitoring the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows from the operations.

C) Market risk

Market risk is the risk of changes in the market prices on account of foreign exchange rates, interest rates and Commodity prices, which shall affect the Company's income or the value of its holdings of its financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the returns.

a) Currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar), which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, except the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are subject to reinstatement risks.

b) Interest risk

i) Assets: The company's fixed deposits, are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107 issued by "the Ministry of Corporate Affairs", Government of India since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

ii) Liabilities: The Company does not have borrowings from the market except buyer's credit from bank on which interest is charged at rate of interest prevailing in the market and therefore, it is not subject to interest rate risk.

CHAMAK HOLDINGS LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

- 35** In the opinion of the Board, the assets, other than fixed assets and non-current investments, do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 36** Figures and words in brackets pertain to previous year unless otherwise specified.
- 37** Figures have been rounded off to the nearest Rupee.
- 38** Figures of the previous year have been regrouped/recast, wherever necessary, to confirm to current years presentation.

Signatures to the above accompanying notes are an integral part of the financial statements.

Anubhav Kathuria
Managing Director
DIN No. 01198916

Subhash Chand Kathuria
Director
DIN No. 00125337

May 30, 2019
New Delhi

Deepti Gupta
Company Secretary
Memebership No. A5551

Kapil Vig
Chief Financial Officer
PAN -AETPV2135A

NOTICE

Notice is hereby given that 35th Annual General Meeting of the Members of Chamak Holdings Limited will be held on Saturday, the 28th September, 2019 at 2:30 P.M at the registered office of the company at 55-B, Rama Road Industrial Area, New Delhi-110015, to transact the following businesses:

ORDINARY BUSINESS:-

1. To consider and adopt Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2019.
2. To appoint a Director in place of Mr. Subhash Chander Kathuria, (DIN: 00125337), who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s SBD & Co. Chartered Accountants, as the Statutory Auditors and to fix their remuneration.

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 139,142 and other applicable provisions, if any of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014 and other applicable Rules , if any framed thereunder , as amended from time to time, pursuant to the Recommendation of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 29th Sep.2015 the appointment of M/s SBD & Co, Chartered Accountants, (FRN- 024005N) (previously known as B. Bhushan & Co. Chartered Accountants FRN- 001596N) as the statutory auditor of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company be and is hereby ratified and that the board of directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the audit committee in consultation with the Auditors."

SPECIAL BUSINESS:-

4. To approve/ Ratification of the Existing Contracts/ with the Related Party Contracts/ Arrangements/Transactions of the Company for the Financial Year 2018-19.

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 188 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications (s) or re-enactment thereof, for the time being in force) and provisions of Regulation 23 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the approval/ratification of the shareholders be and is hereby accorded to the Board of Directors for continuing the existing related party transactions for FY 2018-19 with 'Related Parties' as defined under section 2(76) of the Companies Act, 2013 and Regulation 23(1) of SEBI (LODR) Regulation, whether material or not, for the FY 2018-19 as mentioned herein below.

| Sl. NO. | Sec. 188 of the Companies Act, 2013 read with Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 | The particulars of the transactions During | Transaction Amount (in lakhs.) |
|---------|--|--|--------------------------------|
| 1. | sale, purchase or supply of any goods or materials; | Synergy Steels Limited | 658.00 |
| 2. | Loan Taken | Subhash C Kathuria | 4.20 |
| 3. | Rent Paid | Subhash C Kathuria | 50.00 |
| 4. | Loan Re-paid | Synergy Global Steels Pvt Ltd. | 1.05 |

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/doubts arise from it, and execute such addendum contracts/arrangements/ transactions, documents and writings and make such changes to the terms and conditions of these contracts/arrangements/transactions as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company."

5. Entering into contract/lease/arrangements/transactions with 'Related Parties' up to Prescribed Limit for the financial Year 2019-20

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 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

| Sl. NO. | Sec. 188 of the Companies Act, 2013 read with Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 | The particulars of the transactions During | Transaction Amount (in lakhs) |
|---------|--|--|-------------------------------|
| 1 | sale, purchase or supply of any goods or materials; | Synergy Steels Limited | 8500.00 |
| 2 | Loan from Directors | Subhash C Kathuria | 1000.00 |
| 3 | Loan From Directors | Anubhav Kathuria | 1000.00 |
| 4 | sale, purchase or supply of any goods or materials; | Anita International | 2000.00 |

Chamak Holdings Limited
Annual Report 2018-19

| | | | |
|---|---|------------------------------|---------|
| 5 | sale, purchase or supply of any goods or materials; | Synergy Global Steel Pvt Ltd | 1000.00 |
|---|---|------------------------------|---------|

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such addendum contracts/agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

Place: New Delhi
Date : 30.05.2019

By order of the Board
For Chamak Holdings Limited

Deepti Gupta
Company Secretary
M.No. A5551

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. A PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Proxy Form should be in the format as enclosed.
3. The Explanatory statement pursuant to section 102 of the Companies Act 2013 setting out material facts concerning the business under item No. 2, 4 & 5 of the accompanying notice is annexed hereto.
4. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of board resolution authorizing their representative to attend and vote at the Annual general meeting.
5. Members, Proxies and Authorized Representative are requested to bring to the Meeting, the Attendance Slip Enclosed Herewith, duly filled and signed Members who hold Shares in Dematerialized form are requested to bring their Client ID and DP ID for Identification.
6. A route map providing directions to reach the venue of the 35th AGM is provided in the Notice.
7. Members seeking further information on the Financial Statement or any other matter contained in the Notice are requested to write to the company at least 7 days before the meeting so the relevant information can be kept ready at the meeting.
8. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) , Brief Profile of the Director Seeking re-appointment at the AGM:
9. All the Documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company during working days between 12:00 Noon to 3:00 P.M. (barring Sunday and Public Holidays), up to the date of AGM.

10. All the Statutory Registers maintained under Companies Act, 2013 will be available for inspection by the members at the AGM.
11. The Company is conscious of promoting e-governance and green and sustainable environment. Members are requested to update their email address with their Depository Participants to enable the company to send the future correspondences / communication via e-mail.
12. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the company / RTA in order to comply with the SEBI guidelines as per the format attached.
13. Unclaimed Dividends: Transfer to Investor Education and Protection Fund: Pursuant to Section 124 of the Companies Act, 2013, read with relevant Rules, the unclaimed dividend will be transferred to the Investor Education and Protection Fund after expiry of 7 years from the date of dividend become due for payment
14. The members are requested to send the transfers, change of address, bank mandates and other related correspondence to the Registrar and Share Transfer Agents, M/s. Skyline Financial Services Pvt. Limited, D-153 A, Okhla Industrial Area, Phase-I, New Delhi – 110020 in case of shares held in physical form/their respective depository Participant in case of shares held in Dematerialised form.
15. Notice of the AGM along with the copies of the Annual Report 2018-19 shall also be available on company's website being: www.chamakholdings.com.
14. The notice of the AGM along with the copies of the Annual Report 2018-19, instructions for e-voting, attendance slip and proxy form are being sent by electronic mode only to all the members whose email addresses are registered with the company / Depository Participants / Registrar and Transfer Agent for communication purposes, unless a member has requested for a physical copy of the same.
15. Queries proposed to be raised at the Annual General Meeting, may be sent to the Company at its registered office or may be Communicate to Mr. Anubhav Kathuria, Managing Director of the Company, (E-Mail: chamakholdings@gmail.com) least seven days prior to the date of Meeting to enable the management to compile the relevant information to reply the same in the meeting.
16. Hard copy of the notice along with the copies of the Annual Report 2018-19, instructions for e-voting, attendance slip and proxy form are being sent by the permitted mode to those members who have not registered their email addresses.
17. To Protect the Environment and Disseminate all the Communication promptly, Members who have not registered their E-mail so far are requested to register the same with the DP/RTA for receiving all the communications including Annual Reports, Notices, etc.
18. The Register of Member and Share Transfer Books of the Company will remain closed from 22nd September, 2019 to 28th September, 2019. (both days inclusive)
19. The Board of Directors has appointed M/s. Akshit Gupta & Associates, Company Secretaries M. No.: 8472 COP: 11408 as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

20. Member may vote through the Remote E-Voting (please refer to the instruction for E-Voting as attached to the Notice).
21. Any member wishes to update/change his particulars in the records of the company may apply in the prescribed form as attached and forward the same to the Company.
22. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the company/RTA for registration under their folio.
23. In terms of SEBI Gazette Notification dated 8th June, 2018, shares in physical form will not be transferred after 5th December, 2018. Hence members who are holding shares in physical form are requested to convert the shares in Demat form before the date mentioned above.

24. E-VOTING

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer Electronic Voting ("e-voting") facility to its Members as on the Cut-off date in respect of the businesses to be transacted at the above AGM of the Company, using electronic voting system from a place other than the venue of the AGM (remote e-voting).

- I. The Cut-off Date for the purpose of voting is 20th September, 2019. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company held as on the Cut-off Date.
- II. The Company has engaged the services of "National Securities Depository Limited ("NSDL") as the Authorised Agency to provide e-voting facilities. In this regard, your Demat Account/ Folio Number has been enrolled by the Company with NSDL for your participation in e-voting on Resolution(s) placed by the Company on e-voting platform. The Remote e-voting facility will be available during the following voting period:

| | |
|---------------------------------|---|
| Commencement of e-voting | From 9.00 AM (IST) on 23 rd ,September, 2019 |
| End of e-voting | Upto 5.00 PM (IST) on 27 th September, 2019 |

- III. The Members may cast their votes on e-voting system during the aforesaid period. The e-voting system will be disabled for voting after the end of e-voting time. Once the vote on a resolution is cast by a Member, the Member will not be allowed to change it, subsequently.
- IV. The facility for voting through Ballot Paper shall be made available at the AGM and Members who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the AGM. The Members who have cast their vote by remote e-voting, prior to the AGM may also attend the AGM but shall not

be entitled to cast their vote again. In case of Member(s) who cast their votes through both the processes i.e. remote e-voting and Ballot Paper, the votes in the electronic system would be considered and votes in the Ballot Paper would be ignored. A person who is not a Member as on Cut-off Date i.e. (end of business hours of 20th September, 2019) should treat this Notice for information purpose only.

- V. Any person who becomes a Member of the Company after dispatch of Notice of the AGM and holding shares as on the Cut-off Date i.e. 20th September, 2019, may obtain the Login ID and Password by sending a request at evoting@nsdl.co.in. If a Member is already registered with NSDL for e-voting, existing User ID and Password can be used for casting vote.
- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., 20th September 2019.
- VII. Mr. Akshit Gupta & Associates Company Secretaries M. No.: 8472 COP: 11408 as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

A) The procedure with respect to remote e-voting is provided below for the benefit of the Members:

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:
<https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).

- c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail (cs@sigmalegal.in) to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

25. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folio / demat accounts.
26. Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period / unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
27. The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting. The results alongwith the Scrutinizer's Report shall be placed on the website of the Company www.chamakhholdings.com within 2 days of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to Stock exchanges.
28. Poll will also be conducted at the Annual General Meeting and members who has not cast his/her vote through e-voting facility may attend the Annual General Meeting and cast his/ her vote.

SHAREHOLDERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT AT THE MEETING. NO ADDITIONAL COPIES SHALL BE SUPPLIED AT THE VENUE.

Important communication to Shareholders

The Ministry of Corporate Affairs, Govt. of India (MCA) as a part of its "Green Initiative in the Corporate Governance" has allowed paperless compliances by companies, permitting service of all notices/documents including Annual Reports by companies to its shareholders, through electronic mode instead of physical mode. In support of this initiative announced by the MCA, your Company has sent Annual Report for the financial year 2018-19 including the notice of this AGM through e-mail addresses to those shareholders whose e-mail addresses are available with the Depository Participants (DPs). Remaining shareholders holding shares in demat mode as well as in physical mode are again requested to register their e-mail addresses, in respect of their demat holdings through their concerned DPs, and/or send particulars of their e-mail addresses to the Company at its Registered Office, to support the Green Initiative of the Government.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2.

Profile and other details of Director seeking Re-appointment

Sh. Subhash Chander Kathuria (DIN: 00125337):-

Mr. Subhash Chander Kathuria aged 72 Years, having holds Diploma in Mechanical Engineering from Germany having Rich experience in managing mix portfolio of diversified business like Medicine Business, Oil & Gas Exploration, Mining Activities etc.

Currently promoter cum Managing Director of Synergy Steels with over 3 decades of experience in managing Steel Industry and also the promoter of Chamak Holdings Limited. Having rich and vide experience of managing business and Commercial Operations in India and abroad.

He holds 1210500 shares in chamak holdings limited.

Except Anubhav Kathuria, None of the Directors or KMP of the Company or their relatives is in any way interested or concerned finically or otherwise in the resolution set out at Item no. 2.

Item No. 4 & 5

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees Ten crore or more, prior approval of the shareholders by way of a Ordinary Resolution must be obtained.

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind; 4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

The Company had made the above Contracts/Arrangements/Transactions with its Related Parties as mentioned in the resolution. A detail description on the same as set out in form AOC -2 of Board's Report of this Annual Report.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the transaction entered into by the company & the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

Except from Sh. Anubav Kathuria and Sh. Subhash Chander Kathuria (to the extent of their shareholding interest in the Company), none of the other Directors, Key Managerial

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Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution. The Board recommends the resolution for approval of the members.

Place: New Delhi
Date : 30.05.2019

By order of the Board
For Chamak Holdings Limited

Deepti Gupta
Company Secretary
M.No. A55551

CHAMAK HOLDINGS LIMITED
 CIN: L51494DL1984PLC019684
 Regd. Off.: 55-B, Rama Road Indl Area, New Delhi-110015
 Tel: 45691047, 3297555; E-Mail: chamakhholdings@gmail.com,
 Web Site: www.chamakhholdings.com

Proxy form
 MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| |
|--|
| <p>Name of the Member(s):</p> <p>Registered address:</p> <p>E-Mail ID:</p> <p>Folio No./Client ID :</p> <p>DP ID:</p> |
|--|

1. Name:E-mail :
 Address:
Signature :
 or failing him
2. Name:E-mail :
 Address:
Signature :
 or failing him
1. Name:E-mail :
 Address:
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual general meeting/ of the company, to be held on Saturday the 28th day of September, 2019 at 2:30 p.m. at 55B, Rama Road, Industrial Area, New Delhi-110015 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Resolution | No. of Share held by me | I assent to the resolution | I dissent to the resolution |
|--------|--|-------------------------|----------------------------|-----------------------------|
| 1. | Adoption of the Audited Balance sheet as on 31 st , March, 2019 and profit and loss account for the year ended on that date together with the Auditors' report and Directors' Report thereon. | | | |
| 2. | Re-Appointment of Mr. Subhash Chander Kathuria who is liable to retires by rotation and being eligible offers himself for re-appointment. | | | |
| 3. | Ratification of the appointment of Statutory Auditors M/s SBD & Co, Chartered Accountants, Delhi (FRN: 024005N) as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the | | | |

Chamak Holdings Limited
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| | | | | |
|---|--|--|--|--|
| | conclusion of the Next Annual General Meeting and to fix their remuneration. | | | |
| 4 | To approve/ Ratification of the Existing Contracts/ with the Related Party Contracts/ Arrangements/Transactions of the Company for the Financial Year 2018-19. | | | |
| 5 | To approve to Entering into contract/ lease/ arrangements/ transactions with 'Related Parties' up to Prescribed Limit for the F.Y 19-20. | | | |

Signed this day of2019

Signature of shareholder _____

Signature of Proxy holder(s) _____

| |
|------------------------------------|
| Affix Revenue Stamp |
|------------------------------------|

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CHAMAK HOLDINGS LIMITED
CIN: L51494DL1984PLC019684
Regd. Off.: 55-B, Rama Road Indl Area, New Delhi-110015
Tel: 45691047, 3297555; E-Mail: chamakhholdings@gmail.com,
web Site: www.chamakhholdings.com

ATTENDANCE SLIP

(Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall)

| | |
|---------------------------------|--|
| Folio No. / DP ID / Client ID # | |
| No. of Equity Shares held | |

I hereby record my presence at the 35th Annual General Meeting of the Company being held at 55B, Rama Road, Industrial Area, New Delhi-110015 on Saturday, the 28th September, 2019 at 02.30 P.M.

| | |
|---|--|
| Name of the Shareholder (in block letters) | |
| Name of Proxy/Authorised Representative attending* (in block letters) | |

Signature of the attending Member/Proxy/Authorised Representative*

*Strike out whichever is not applicable #Applicable for shareholders holding shares in dematerialised form.

- Note: 1. A member/proxy/authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
2. If you intend to appoint a Proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the meeting.

Shareholders/Proxy or representative of Shareholders are requested to produce the above attendance slip, duly signed in accordance with their specimen signatures registered with the Bank, along with the entry pass, for admission to the venue. Shareholders / Proxy holders / Authorised Representatives may note that the admission to the meeting will be subject to verification / checks, as may be deemed necessary and they are advised to carry valid proof of identity viz., Voters ID Card / Employer Identity Card / Pan Card / Passport / Driving license etc.

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

Updation of Shareholders information

I/We request you to records the following information against my/our folio no. _____

| | |
|---|--|
| Folio No. | |
| Name of the shareholder | |
| PAN No. * | |
| CIN/Registration No. (in case of corporate shareholder) | |
| Tel No. No. | |
| Mobile No. | |
| E-Mail ID | |
| Complete Postal address* | |

*Self attested copy of valid proof required to be attached.

Bank Details

| | |
|----------------------|--|
| IFCI (11 Digit) | |
| MICR (9 Digit) | |
| Bank Account Type | |
| Bank Account No. * | |
| Name of the Bank | |
| Bank Branch Address: | |

*A Blank cancelled cheque is required to be attached.

i/we hereby declares that the above mentioned facts are true and correct to the best of my knowledge. I information is delayed due to incomplete information I will not held the company/RTA responsible.

Place:

Date:

Signature of sole/first holder

