

**CHERYL LABORATORIES PVT. LTD.**

Persian Apartments, Plot no.434, Gr. Floor, V.P.Road, Andheri (W), Mumbai 400 058

Tel no. 4255 4906 / 4255 4901 Fax no.2671 58 99

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**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018.

**1. DISCLOSURE OF ANNUAL RETURN UNDER SECTION 134[3][a]**

The web address of the Company where the Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March, 2018, has been placed is as follows:

<http://cheryllaboratories.com/wp-content/uploads/2018/10/MGT-9.pdf>

**2. MEETINGS OF BOARD OF DIRECTORS UNDER SECTION 134[3][b]**

During the year 2017-18, the Board of Directors met 8 (Eight) times.

**3. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134[3][c]**

Pursuant to Section 134[3][c] read with Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and in case of any material departures, proper explanations have been given for the same in the accounts itself;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;

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- e. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate operating effectively;
- f. Being an unlisted company, the directors were not required to lay down internal financial controls under Section 134[5][e] of the Companies Act, 2013.

**4. DETAILS UNDER SECTION 134[3][CA] OF THE COMPANIES ACT, 2013 IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No frauds were reported by the Company's Statutory / Cost Auditors during the year under review.

**5. DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 134[3][d]**

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence this is not applicable to the Company.

**6. NOMINATION AND REMUNERATION COMMITTEE UNDER SECTION 134[3][e]**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, its remuneration, qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.]

**7. DISCLOSURES PERTAINING TO THE AUDITORS AND THE AUDIT REPORT UNDER SECTION 134[3][f]**

**A. Observations of Statutory Auditors i.e. M/s Sheth & Associates, Chartered Accounts, on Financial Statement for the financial year ended 31<sup>st</sup> March, 2018**

The observation made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March, 2018 read with the explanatory notes therein are self explanatory, and therefore do not call for any further explanation or comments.

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**B. Observations of Cost Auditors i.e. M/s. N. Ritesh & Associates, Cost Accountant (Firm Regn. No. 100675), on Financial Statement for the financial year ended 31<sup>st</sup> March, 2018**

There were no qualifications, reservations or adverse remarks made by the Cost Auditor in their Cost Audit report.

**8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 UNDER SECTION 134[3][g]**

The particulars of investments made by the Company and loans given by the Company and are provided in the financial statement. [Please refer to note no. 13 of the financial statement attached.]

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 134[3][h] READ WITH RULE 8[2] OF THE COMPANIES [ACCOUNTS] RULES, 2014**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2017-18 in the prescribed format, AOC 2 has been enclosed as "ANNEXURE-I" and forms part of this Report.

**10. STATE OF COMPANY'S AFFAIRS UNDER SECTION 134[3][i] AND FINANCIAL SUMMARY UNDER RULE 8[5][i] OF THE COMPANIES [ACCOUNTS] RULES, 2014**

During the year under review, the Company has achieved a turnover of Rs. 75,69,43,205/-. The net Profit after tax during the year has been Rs. 3,49,50,419/-as compared to net profit of Rs. 3,35,34,130 in the previous year.

**11. DISCLOSURES RELATED TO TRANSFER TO RESERVES UNDER SECTION 134[3][j]**

The Board does not recommend any amount to be transferred to the reserves for the financial year under review.

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**12. DISCLOSURES RELATED TO DIVIDEND UNDER SECTION 134[3][k]**

With a view to conserve resources, the Board of Directors does not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2018.

**13. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT UNDER SECTION 134[3][l]**

There were no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of this report.

**14. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134[3][m] READ WITH RULE 8[3] OF THE COMPANIES [ACCOUNTS] RULES, 2014**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Account) Rules, 2014 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo etc are furnished below:

**(A) Conservation of energy:**

Steps taken or impact on conservation of energy	Nil. However, required conservation measures are being taken for limiting power consumption to the extent necessary.
Steps taken by the Company for utilizing alternate sources of energy	
Capital Investment in energy conservation equipments	

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**(B) Technology Absorption:**

Efforts made towards technology absorption	Research and Product Development activities are primarily directed towards product development and better quality
Benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Not Applicable
Year of import	
Whether technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
Expenditure incurred in Research and Development	Nil

**(C) Foreign Exchange Earnings and Outgo:**

During the year under review, the total foreign exchange outgo in terms of actual outflows was Rs. **64,80,169/-** and the total foreign exchange in terms of actual inflows was Rs. **2,70,71,177/-**

**(D) Value of Imported and Indigenous Raw Material, Components, Stores and Spares Consumed:**

Raw & Packing Materials and Trading: Rs. 27,06,23,682/-

Stores and Spares: Rs. 89,35,080/-

**15. DISCLOSURE FOR DEVELOPMENT AND IMPLEMENTATION OF THE RISK MANAGEMENT POLICY UNDER SECTION 134[3][n]**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business. Risk management is a structural approach to manage uncertainty. A formal approach to Risk Management is being adopted by

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the Company and key risk will now be managed within unitary framework. The Risk Management process in our business, operations, over the period of time will become embedded into the Company's business systems processes, such that our responses to risks remain current and dynamic.

**16. DISCLOSURES RELATING TO CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 134[3][o]**

A Corporate Social Responsibility (CSR) Committee has been constituted in accordance in accordance with Section 135 of the Companies Act, 2013.

A brief outline of the Corporate Social Responsibility policy forms part of this report and the same is appended as "Annexure-II".

For viewing the complete policy kindly visit the following URL.

<http://cheryllaboratories.com/wp-content/uploads/2018/10/CSR-CHERYL.pdf>

**17. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL UNDER SECTION 134[3][q] READ WITH RULE 8[5][iii] OF THE COMPANIES [ACCOUNTS] RULES, 2014**

There was no change in the directorship of the Company during the year under review.

**18. DISCLOSURES ON DEPOSITS UNDER SECTION 134[3][q] OF THE COMPANIES ACT, 2013 READ WITH RULE 8[5][v] OF THE COMPANIES [ACCOUNTS] RULE, 2014**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS UNDER SECTION 134[3][q] OF THE COMPANIES ACT, 2013 READ WITH RULE 8[5][vii] OF THE COMPANIES [ACCOUNTS] RULE, 2014**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

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**20. INTERNAL FINANCIAL CONTROL SYSTEM UNDER SECTION 134[3][q] OF THE COMPANIES ACT, 2013 READ WITH RULE 8[5][viii] OF THE COMPANIES [ACCOUNTS] RULE, 2014, READ WITH SECTION 148[1] OF THE COMPANIES ACT, 2013**

The Company has in place adequate systems of internal financial control commensurate with its size and nature of operations. The system of internal controls ensures that all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorized and reported correctly.

**21. A DISCLOSURE, ON COST RECORDS UNDER SECTION 134[3][q] OF THE COMPANIES ACT, 2013 READ WITH RULE 8[5][ix] OF THE COMPANIES [ACCOUNTS] RULE, 2014, READ WITH SECTION 148[1] OF THE COMPANIES ACT, 2013**

The company has maintained cost records under section 148[1] of the Companies Act, 2013.

**22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PROHIBITION, PREVENTION AND REDRESSAL) ACT, 2013**

The Company is in the process of reconstituting the Internal Complaints Committee as required under section 4 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("The Act") and Mrs. Archana Nadkar is the presiding officer and Mrs. Beena Varghese and Mrs. Amruta Rane are the other officers and the company is searching for an appropriate candidate from amongst non-governmental organizations/associations committed to the cause of women as required under section 4(2)(c) of the said Act.

**23. DISCLOSURE OF PROVIDING VIGIL MECHANISM**

The provisions of Section 177[9] and proviso to Section 177[10] of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

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**24. PARTICULARS OF EMPLOYEES**

There were no employees of the Company during the financial year ended 31st March 2018, as are required to be mentioned under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**25. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

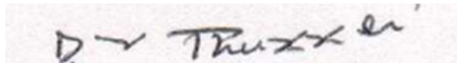
As the company is unlisted company, it is not required to provide these details.

**ACKNOWLEDGEMENTS**

Your Directors would like to express their grateful appreciation for the assistance and support extended by all the stakeholders.

For and on behalf of Board of Directors  
**Cheryl Laboratories Private Limited**

**Dinesh Thakker**



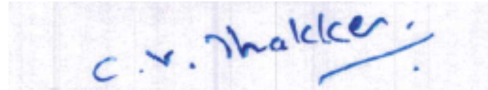
**DIN:** 0051296

**Address:** 86, Kamal, 69,  
Walkeshwar Road,  
Mumbai-400006

**DATE:** 05.09.2018

**PLACE:** MUMBAI

**Chandresh Thakker**



**DIN:** 00036661

**Address:** 33, Monalisa  
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**ANNEXURE-I**

**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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

**NOT APPLICABLE**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name (s) of the related party & nature of relationship	
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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## 2. Details of material contracts or arrangements or transactions at arm's length basis:\*

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts / arrangements/transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Gopaldas Visram & Co. Ltd. (Enterprises influenced by KMP)	1) Purchases  2) Sales  3) Conversion Charges	Ongoing	1)731955/-  2)900512/-  3)11447435/-	N.A	N.A
GBC Packaging (Enterprises influenced by KMP)	1)Purchases	Ongoing	1) 60272498/-	N.A	N.A
Krupa Polymers (India) Pvt. Ltd. ((Enterprises influenced by KMP)	1) Purchases	Ongoing	1) 212761/-	N.A	N.A
Mrs. Meena D. Thakker (Relative of Director)	1) Rent Paid	Ongoing	1) 957000/-	N.A	N.A

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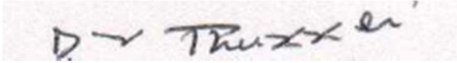
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**\*Note:** As the Companies Act, 2013, does not specify what a material contract or arrangement or transactions is, the Management has considered the criteria specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 in reporting the above contracts or arrangements or transactions.

For and on behalf of Board of Directors  
**Cheryl Laboratories Private Limited**

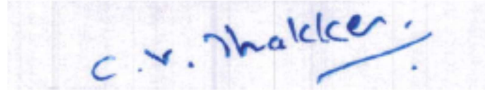
**Dinesh Thakker**



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**ANNEXURE-II**  
**REPORT ON CSR ACTIVITIES / INITIATIVES**  
**[Pursuant to Section 135 of the Act & Rules made thereunder]**

A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs

Policy Statement

Cheryl Laboratories Private Limited (CIN: U24230MH1987PTC042262) in its continuous efforts to positively impact the society, especially the areas around its sites and offices, has formulated policies for social development. We recognise that our social, economic and environmental responsibilities towards customers, employees, investors, suppliers, the community and the environment are an integral to our business. We aim to demonstrate these responsibilities through our actions and within our corporate policies.

The CSR activities / Project are implemented using internal resources or through collaborating with NGOs / specialised agencies / trusts / institutions / foundations / societies etc. in accordance with the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR activities of our Company are as per the provisions of schedule VII of the Companies Act, 2013.

**1. The Composition of the CSR Committee**

- Mr. Chandresh Vallabhdas Thakker, Director (Chairperson)

- Mr. Dinesh Vallabhdas Thakker, Director (Member)

-Mr. Mukund Vallabhdas Thakker, Director (Member)

**2. Average Net Profit of the Company for the last three financial year: INR 3,79,72,205/-**

**3. Prescribed CSR Expenditure (2% of the amount as per item 2 above): INR 7,59,444/-**

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4. Detail of CSR spent during the financial year:

- a. Total amount spends for the financial year: **NIL**
- b. Amount un-spend, if any: **INR 7,59,444/-**
- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects or programs	or	CSR Project or activity identified	Sector in which the project is covered	A mount out lay (budget)	Amount spent on the projects or programs Sub-heads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
-	-	-	-	-	--	-	-	--

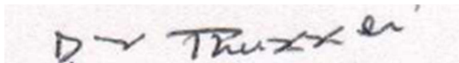
- 5. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in the compliance with CSR Objective and policy of the Company.

6. Reason for not spending the stipulated amount for CSR activities:

The Company was not able to make contribution of statutory minimum 2 % to CSR activities during the year due to high business fluctuations and with a view to conserve financial resources for future applications.

For and on behalf of Board of Directors  
**Cheryl Laboratories Private Limited**

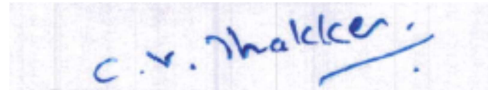
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