

VAHH CHEMICALS LIMITED

DIRECTORS' REPORT 2022-23

To,
The Members
VAHH CHEMICALS LIMITED

Your directors present their 4th Annual Report on the affairs of your company for the year ended 31/03/2023 along with audited statement of accounts, reports of the auditors and the directors thereon.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	2022-23	2021-22
Gross Income	753.13	501.83
Total Expenditure	729.12	479.94
Profit/ (Loss) before tax	24.00	21.89
Provision for Tax Both Deferred and Current	6.23	6.53
Profit/ (Loss) after tax	17.77	15.36
Add: Balance Brought Forward	46.30	30.93
Carried to Balance Sheet	64.07	46.30

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, your Company has posted higher gross income of ₹753.13 Lakhs as compared to gross income of ₹501.83 Lakhs in the corresponding previous year. As such, during the year under review, your company's has posted improved net profit of ₹17.77 Lakhs compared to net profit of ₹15.36 lakhs in the corresponding previous year.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in nature of business.

DIVIDEND

In view of the requirement of the profits for strengthening the business, your directors do not recommend any dividends on the Equity Shares of the company for the year under review. The balance amount of profit is carried to Balance Sheet under the head of "Reserve and Surplus".

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend on the books or any Unpaid Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply to your company.

TRANSFER TO RESERVES

For the financial year ended 31st March, 2023, your company has not proposed to carry or transfer any amount to the General Reserve Account or any other reserve.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

During the year under review no other company/ies have either become or ceased to be its Subsidiary, Joint venture or Associate Company/ies

CHANGES IN SHARE CAPITAL

During the year under review, there was no change in the capital structure of your company. Other requisite details are as under.

Buy Back of Securities	Sweat Equity	Bonus Shares	Employees	Stock
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Securities			Option Plan
Nil	Nil	Nil	Nil

NUMBER OF BOARD MEETINGS

As required by clause (b) of sub-section (3) of Section 134 of the Companies Act, 2013, your directors report that during the Financial Year 2022-23, the Company held 6 meetings of the Board of Directors as per Section 173 of Companies Act, 2013. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

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

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

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and on the date of this report.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Since your company does not fall into mandatory criteria of implementing Corporate Social Responsibility (CSR) no details are required to be furnished.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company has entered into related parties transactions as defined under Section 188 of the Companies Act, 2013 with related parties as covered under Section 2 (76) of the said Act. Hence details as required are given in Form AOC-2 as Annexure-A.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

As required by Section 134(3)(m) read with the Companies (Accounts) Rules, 2014, your directors report as under:

(A) Conservation of Energy

- (i) Steps taken / impact on conservation of energy, with special reference to the following: Nil
- (ii) Steps taken by the company for utilizing alternate sources of energy including waste generated: Nil
- (iii) Capital investment on energy conservation equipment: Nil

(B) Technology absorption:

1. Efforts in brief made towards technology absorption.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
 - (a) Details of technology imported.

No Foreign technology involved

(b) Year of import.

(c) Whether the technology been fully absorbed

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.

4. Expenditure incurred on Research and Development: Rs Nil

(C) Foreign exchange earnings and Outgo

	Current year	Previous Year
Earnings	Nil	Nil
Outgo	Nil	Nil

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

DIRECTORS

There was no director who was appointed/ceased during the year under review. Pursuant to the Rule 8 of the Companies (Appointment and Remuneration of Managerial personnel) 2014, Your Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP). However, Mrs. Hetal Desai was appointed as Managing Director of the company with effect from 01/01/2023 for a term of five years. Pursuant to provisions of Section 152 of the Companies Act, 2013, Mr. Hiren Desai retires by rotation and being eligible, offers himself for reappointment.

STATUTORY AUDITORS

The Auditors, M/s Rasesh Shah & Associates, Chartered Accountants were appointed at the Annual General Meeting of year 2020 for a period of next five years from that AGM, covering Financial Years 2020-21 to 2024-25.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Your directors report that your company does not have any details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government, as required under Section 134(3)(ca) of the Companies Act, 2013.

Your company has installed adequate internal financial controls with reference to the Financial Statements as reported by Auditors for the year ended 31st March, 2023.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

There are no explanations /comments made by the auditors requiring any reply relating to such qualifications, reservations or adverse remarks made in their report.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the companies Act, 2013, your directors confirm that:

- a) In the preparation of the annual accounts, 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 the end of the financial year and of the profit 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 have prepared the annual accounts on a going concern basis;
- e) 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.

RISK MANAGEMENT

Your company is considering study of risks threatening its existence and proper policy to counter the same would be evolved and implemented in due course of time.

INTERNAL COMPLAINTS COMMITTEE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK-PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your company is not required to constitute Internal Complaints Committee. No complaint was made under the said law during the year under review, hence your company has no particulars to offer.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant or material order has been passed against the company by any regulators, courts, tribunals impacting the going concern status and Company's operations in future.

WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY.

The Maintenance of Cost Records is not applicable to the company for the year under consideration.

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

No application is made or any proceedings is pending against the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review hence the company has no details to offer.

OTHER DISCLOSURES

Your directors declare that the company has complied with applicable mandatory secretarial standards.

ACKNOWLEDGMENT

Your directors wish to place on record their sincere appreciation to all concerned.

For and on Behalf of the Board

Hiren Desai *H.H. Desai*

Hiren Desai Hetal Desai

Director

Director

DIN:08622752 DIN:08622843

Date: 05/09/2023

Place: Surat

Annexure "A"

Form 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 not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts / arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis (Amount in lakhs)

Sl. No.	Particulars	Details
(a)	Name(s) of the related party & nature of relationship	1) MI Chemicals, director Mr Hiren Desai is of the partners in the firm 2) Hetal Dye Chem, director Hiren I Desai karta of Hiren I Desai HUF is proprietor of the firm
(b)	Nature of contracts/ arrangements/transactions	Purchase of traded goods
(c)	Duration of the contracts / arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	1) Rs. 10.00 2) Rs. 24.68
(e)	Date(s) of approval by the Board, if any:	NA Since the contract was entered into in the ordinary course of business and on arm's length basis.
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board

Hiren Desai *Hetal Desai*

Hiren Desai Hetal Desai
Director Director

DIN: 08622752 DIN:08622843

Date: 05/09/2023

Place: Surat