

CDG[®]

Chandantara Dugar Group

CDG PETCHEM LIMITED

CDG PETCHEM LIMITED

(Formally Known as URBAKNITT FABS LIMITED)

9TH Annual Report

2019-20

PetroIndia
Petrochemicals • Minerals • Packaging

Sl. No	Contents	Page No.
1.	NOTICE	4
2.	DIRECTORS' REPORT	15
STAND ALONE FINANCIAL STATEMENTS		
3.	INDEPENDENT AUDITORS REPORT	56
4.	STATEMENT OF ASSETS & LIABILITIES	63
5.	STATEMENT OF PROFIT & LOSS	64
6.	STATEMENT OF CASH FLOW	65
7.	SIGNIFICANT ACCOUNTING POLICIES	66
8.	STATEMENT OF CHANGES IN EQUITY	74
9.	NOTES ON FINANCIAL STATEMENT	79
CONSOLIDATED FINANCIAL STATEMENTS		
10.	INDEPENDENT AUDITORS REPORT	83
11.	STATEMENT OF ASSETS & LIABILITIES	89
12.	STATEMENT OF PROFIT & LOSS	90
13.	STATEMENT OF CASH FLOW	91
14.	SIGNIFICANT ACCOUNTING POLICIES	92
15.	STATEMENT OF CHANGES IN EQUITY	101
16.	NOTES ON FINANCIAL STATEMENT	106

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by Companies through electronic mode. In accordance with the circulars issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holdings with the Company.

Audit Committee:

Shri. Naresh Kathotia - Chairman
Shri Dilip Kumar Surana - Member
Shri. Manoj Kumar Dugar - Member

Registered Office

Shyam Arihant, Plot No- 10 & 11,
MCH No 1-8-304 to 307
Pattigadda Road, Hyderabad- 500003
Telangana

Auditors

M/s Luharuka & Associates
5-4-184/3&4, Soham Mansion
2nd Floor, M.G. Road
Secunderabad, Telangana-500003

Internal Auditor

Affinity Global Services Pvt Ltd
Dugar Arcade, 1st Floor,
Prakash Nagar Begumpet,
Secundrabad-500003

Secretarial Auditor

M/s. Saurabh Poddar & Associates1

Listing

BSE Limited (BSE)
Mumbai

Works

Plot No. 14, CIE, Expansion
Program Gandhi Nagar
Balangar, Hyderabad,
Telangana- 500037

Board of Directors

Shri. Manoj Kumar Dugar - Chairman & Managing Director
Smt Renu Dugar - Non Executive Director
Shri. Rajesh Kumar Dugar - Non Executive Director
Shri. Dilip Kumar Surana - Non Executive Independent Director
Shri. Naresh Kathotia - Non Executive Independent Director
Shri Arvind Surana - Non Executive Independent Director

Nomination and Remuneration Committee

Shri. Dilip Kumar Surana - Chairman
Shri. Arvind Surana - Member
Shri. Naresh Kathotia - Member

Stakeholder Relationship Committee

Shri. Arvind Surana - Chairman
Shri. Dilip Kumar Surana - Member
Shri. Naresh Kathotia - Member

Company Secretary & Compliance Officer

Ms Deepika Sureka

Chief Financial Officer

Shri Abhishek Kumar Sahal

Bankers

State Bank Of India
Bible House, Hyderabad

Kotak Mahindra Bank

Secunderabad Branch

Share Transfer Agents

M/s KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Finance District, Nanakramguda,
Hyderabad, Telangana-500032

NOTICE

Notice is hereby given that the 9th Annual General Meeting (AGM) of the members of CDG Petchem Limited will be held on Thursday, August 20, 2020 at 1.00 PM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following Business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the Financial Year ended March 31, 2020 and the report of Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions:**
 - (a) **"RESOLVED THAT** the audited financial statement of the Company for the Financial Year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
 - (b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the Financial Year ended March 31, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. To appoint a Director in place of Mrs. Renu M Dugar (DIN: 00235675), who retires by rotation and, being eligible, seeks re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Renu M Dugar (DIN: 00235675), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. To re- appoint Mr. Dilip Kumar Surana as a Non-executive Independent Director of the Company for second term of 5(five) years pursuant to the provisions of Sections 149 and 152 of The Companies Act, 2013 and in this regard, to consider and if thought fit, to pass without modification(s), the following resolution as **Special Resolution:**

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation, or re-enactment, thereof for the time being in force, Mr. Dilip Kumar Surana (holding DIN 02849536), Non-executive Independent Director of the Company be and is hereby re-appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, for the second term of 5 (five) consecutive years from July 1, 2020 up to June 30, 2025."

4. To re- appoint Mr. Arvind Surana as a Non-executive Independent Director of the Company for second term of 5(five) years pursuant to the provisions of Sections 149 and 152 of The Companies Act, 2013 and in this regard, to consider and if thought fit, to pass without modification(s), the following resolution as **Special Resolution:**

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation, or re-enactment, thereof for the time being in force, Mr. Arvind Surana (holding DIN 00220367), Non-Executive Independent Director of the Company be and is hereby re-appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, for the second term of 5 (five) consecutive years from December 17, 2020 up to December 16, 2025."

5. To re- appoint Mr. Manoj Kumar Dugar as Managing Director of the Company and pay him remuneration in terms of provisions of Sections 196, 197, 198 and 203 read with schedule V to the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the Members be and is hereby accorded to re-appoint Mr Manoj Kumar Dugar (holding DIN 00352733) as Managing Director of the Company, for a period of 5 (five) years, on expiry of his present term of office, i.e. with effect from December 17, 2020, on the terms and conditions including remuneration as set out in the explanatory statement subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

“RESOLVED FURTHER THAT in case of adequacy of profits, Mr. Manoj Kumar Dugar be paid such commission which, together with salary, allowances and perquisites shall not exceed 5% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Manoj Kumar Dugar, the remuneration by way of salary, perquisites, commission or any other allowances as specified in the explanatory statement and in accordance with the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.”

“RESOLVED FURTHER THAT the Managing Director shall not be paid sitting fees for attending meetings of the Board of Directors or any Committee(s) thereof.”

“RESOLVED FURTHER THAT Mr. Manoj Kumar Dugar be and is hereby designated as Chairman and Managing Director of the Company as per the applicable Act and regulations that are in force for the time being

By Order of the Board of Directors

Sd/-

Deepika Sureka

Company Secretary

Hyderabad, July 17, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to M/s. KFin Technologies Private Limited at email ID einward.ris@kfintech.com.
5. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, August 13, 2020 to, Thursday, August 20, 2020 (both days inclusive) for the purpose of AGM.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar in case the shares are held by them in physical form.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Registrar in case the shares are held by them in physical form.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. KFin Technologies Private Limited in case the shares are held in physical form.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or the Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 19, 2020 through email on corporate@urbaknitt.com. The same will be replied by the Company suitably.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
14. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://karisma.kfintech.com/emailreg> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

Shareholders may also requested to visit the website of the company www.urbaknitt.com or the website of the Registrar and Transfer Agent www.kfintech.com for downloading the Annual Report and Notice of the AGM.

Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on or after September 28, 2017.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by the M/s. KFin Technologies Private Limited, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
 - i. The facility for voting through electronic voting system shall be made available at the AGM and only those Members/ shareholders, who will be present in the AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the AGM.
 - ii. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
 - iii. The Company has engaged the services of M/s. KFin Technologies private limited as the Agency to provide e-voting facility.
 - iv. The Board of Directors of the Company has appointed Mr. Saurabh Poddar, Practicing Company Secretary, Hyderabad, as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
 - v. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. August 13, 2020.
 - vi. 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, i.e. August 13, 2020 only, shall be entitled to avail the facility of remote e-voting and e-voting during the AGM.
 - vii. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e August 13, 2020 may obtain the user ID and password in the manner as mentioned below:
 - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL :
MYEPWD <SPACE> 1402345612345678
Example for Physical :
MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com> , the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Member may call M/s. KFin Technologies Private Limited at toll free number 1-800-3454-001
 - d. Member may send an e-mail request to einward.ris@kfintech.com
 - e. If the member is already registered with e-voting platform of M/s. KFin Technologies Private Limited then he/she can use his/her existing user ID and password for casting the vote through remote e-voting.
- ix. The remote e-voting facility will be available during the following period: Commencement of remote e-voting: From 9.00 a.m. (IST) on August 17, 2020 End of remote e-voting: Up to 5.00 p.m. (IST) on August 19, 2020. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by M/s. KFin Technologies Private Limited upon expiry of aforesaid period.
- x. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than two days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.urbaknitt.com and on the website of M/s. KFin Technologies Private Limited www.kfintech.com. The results shall simultaneously be communicated to the Stock Exchanges.
- xi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 20, 2020.
19. Instructions for the Members for attending the AGM through Video Conference:
- a. Member will be provided with a facility to attend the AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com/> under shareholders/members login by using the remote e-voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
 - b. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
 - c. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - d. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 - e. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - f. Shareholders who would like to express their views/ask questions during the meeting may log into <https://evoting.karvy.com/> post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only if the member continue to hold the shares as of cut-off date i.e., August 13, 2020.
 - g. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the AGM conference.

20. Explanatory Statement In Respect Of The Special Businesses Pursuant To Section 102(1) Of The Companies Act, 2013 is attached to the notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dilip Kumar Surana was appointed as an Independent Director on the Board of the Company on 1st July 2015 for a term up to five consecutive years i.e. from July 01, 2015 to 30th June, 2020.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dilip Kumar Surana is proposed to be re-appointed as Independent Director on the Board of the Company for a second term of five consecutive years from July 01, 2020 to 30th June, 2025.

The Board recommends the resolution to be passed as Special Resolutions as set out in Item no. 4 for your approval.

None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolutions.

Item No. 5:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Arvind Surana was appointed as an Independent Director on the Board of the Company on 1st July 2015 for a term up to five consecutive years i.e. from December 17, 2015 to December 16, 2020.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Arvind Surana is proposed to be re-appointed as Independent Director on the Board of the Company for a second term of five consecutive years from December 17, 2020 to December 16, 2025.

The Board recommends the resolution to be passed as Special Resolutions as set out in Item no. 5 for your approval.

None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolutions.

Item No. 6:

Mr. Manoj Kumar Dugar has around 25 years of experience in cost efficient and quality complaint in products manufacturing and marketing. Mr. Manoj Kumar Dugar was appointed as Managing Director of the Company with effect from 17th December 2015. He was also designated as Chairman and Managing Director of the Company. The current term of office of Mr. Manoj Kumar Dugar as the Managing Director of the Company completes on 16th December 2020. Considering the commitment consistently shown and results exhibited, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Manoj Kumar Dugar as the Managing Director of the Company for a further period of 5 (five) years effective from 17th December 2020 as per the terms and conditions set forth herein under.

Terms and Conditions:

a) Salary, Perquisites and Allowances per annum:

Particulars	Amount in Rs. In Lakhs
Salary	6.00
Perquisites and Allowances	NIL

The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. The Managing Director is entitled to medical reimbursement as per the policy of the Company.

b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

c) General :

- I. The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- II. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors
- III. The Managing Director shall adhere to the Company's Code of Conduct.
- IV. The office of Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

Mr. Manoj Kumar Dugar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Manoj Kumar Dugar under Section 190 of the Act. The re-appointment of Mr. Manoj Kumar Dugar is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms and conditions of the re-appointment of Mr. Manoj Kumar Dugar as the Managing Director and the remuneration payable to him.

The resolution seeks the approval of the members in terms of sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr. Manoj Kumar Dugar as a Managing Director of the Company for a period of five years commencing from 17th December 2020. Details of Mr. Manoj Kumar Dugar are provided in the "Annexure" to the Notice.

Mr. Manoj Kumar Dugar is interested in the resolution set out at Item No. 6 of the Notice. Mrs. Renu Manoj Dugar and Mr. Rajesh C Dugar, Directors of the Company being related to Mr. Manoj Kumar Dugar may be deemed to be interested in the said resolution. The other relatives of Mr. Manoj Kumar Dugar may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution as set out in Item no. 6 for your approval.

By Order of the Board of Directors

sd/-

Deepika Sureka

Company Secretary

Hyderabad, July 17, 2020

**Annexure to the Notice dated July 17, 2020
Details of Directors retiring by rotation / seeking re-appointment at the Meeting**

Name of Director	Mrs . Renu M Dugar
Date of Birth	08-02-1971
Qualification	BA Honors
Experience and expertise in specific functional areas	Human Resources & Work Force Planning
Brief profile	Mrs Dugar has an active participation in one of the investment company of the Group, Defodil Dealcom Private Limited. Having positive approach, she has been a strong pillar to the Dugar Family and its business. Apart from taking care of the family, she ensures the smooth working of the day to day affairs of the organization.
Relationship with other Directors	Wife of Mr. Manoj Kumar Dugar, Chairman & Managing Director of the Company.
Nature of appointment (appointment/ reappointment)	Retires by rotation and offers herself for reappointment
Terms and Conditions of appointment/ re-appointmen	Appointment as Non-Executive Director subject to retirement by rotation.
Remuneration last draw by such person, if applicable and remuneration sought to be paid	.NIL
Date of first appointment on the Board	17/12/2015
Number of shares held in the company as on March 31, 2020	215360
Number of meetings of the Board attended during the financial year (2019-20)	8
Directorships of other Boards as on March 31, 2020	1 (One) Dugar Polymers Limited
Membership / Chairmanship of Committees of other Boards	NIL

Name of Director	Mr . Manoj Kumar Dugar
Date of Birth	25-05-1968
Qualification	Commerce Graduate and C.A, Inter.
Experience and expertise in specific functional areas	25 + Exp in import, supply, distribution, trading of Chemicals, Plastic Raw Material, Print and & Packaging , Manufacturing of Plastic Products, stretch films etc.
Brief profile	Mr. Manoj Kumar Dugar is founder of Chandantara Dugar Group , the well-established business house in India’s fast growing plastic industry. Commencing its establishment 1994, Mr. Dugar has turned this group well known as “Polymer Solution Providers” in the Polymer Industry. ts business activity involves Manufacturing, Import, Distribution, Supply and Trading of Plastic Raw Material, Construction Chemicals and Minerals. Having an excellent and successful association with few of the top publics sectors of India like GAIL, MRPL, IOCL, Grasim, Chemplast etc, Mr. Dugar strongly believe: Dignity of labour is not just a slogan, it is an attitude; a positive attitude. Transparency in your work, emphasis on quality, adhering to timelines are the denominators that differentiate the leaders from others. A good leader does not lead, he works alongside with his team and that’s what Mr. Dugar has always followed.
Relationship with other Directors	Husband of Mrs. Renu M Dugar, Non- Executive Director of the Company.
Nature of appointment (appointment/ reappointment)	Re-Appointment as Managing Director of the Company
Terms and Conditions of appointment/ re-appointment	Terms and Conditions of re-appointment are as per the resolution at Item No. 12 of the Notice convening Annual General Meeting on August 29, 2019 read with explanatory statement thereto.
Remuneration last draw by such person, if applicable and remuneration sought to be paid	Rs. 6.00 lac per annum
Date of first appointment on the Board	07/01/2012
Number of shares held in the company as on March 31, 2020	256525
Number of meetings of the Board attended during the financial year (2019-20)	8
Directorships of other Boards as on March 31, 2020	6 (Six)Dugar Polymers Ltd, Ayushman Merchants Pvt Ltd, Ayushman Solutions Pvt Ltd, Morbido Merchandise Pvt Ltd, Defodil Dealcom Pvt Ltd , Indpark MSME (Pramukh) Pvt Ltd
Membership/Chairmanship of Committees of other Boards	Board & Audit Committee

Name of Director	Mr . Dilip Kumar Surana
Date of Birth	15/09/1983
Qualification	Graduate-B Com, CA Inter
Experience and expertise in specific functional areas	13 years of vast experience in Petro Chemical Industry
Brief profile	Mr. Dilip Surana has a rich experience in Petro Chemical & Plastic Industries. Handled Business of Haldia Petrochemicals Limited for eight years. Haldia Petro is a leading manufacturing company located in West Bengal catering a large number of plastic industries located in our assigned territories. Apart from taking care of CDG Petchem Business, he also heads Basudeo Enterprises, leading DCS & CS of MRPL, Mangalore for AP & TG.
Relationship with other Directors	There are no interse relationship between the other Board members and key Managerial Personnel.
Nature of appointment (appointment/ reappointment)	Re-Appointment
Terms and Conditions of appointment/ re-appointment	Re-appointment as Non-Executive Independent Director not liable to retire by rotation.
Remuneration last draw by such person, if applicable and remuneration sought to be paid	NIL
Date of first appointment on the Board	01/07/2015
Number of shares held in the company as on March 31, 2020	NIL
Number of meetings of the Board attended during the financial year (2019-20)	8
Directorships of other Boards as on March 31, 2020	2 (Two) Directors - Duluk Polymer Private Limited (DPPL), Basudeo Enterprises Private Ltd
Membership / Chairmanship of Committees of other Boards	3 (Three), Audit, Nomination & Stake Holder Relationship

Name of Director	Mr . Arvind Surana
Date of Birth	29/07/1980
Qualification	B.Com Graduate
Experience and expertise in specific functional areas	10 years of vast experience in Seeds business and 5 years in Petro Chemical Industry
Brief profile	
Relationship with other Directors	There are no interse relationship between the other Board members and key Managerial Personne
Nature of appointment (appointment/ reappointment)	Re-Appointment
Terms and Conditions of appointment/ re-appointment	Re-appointment as Non -Executive Independent Director not liable to retire by rotation
Remuneration last draw by such person, if applicable and remuneration sought to be paid	Presently heading Dugar Polymer Limited (Chemical Division) as Vice President since 5 years independently handling business of IOCL. Dugar Polymer Limited is DOPW (Dealer Operated Polymer Warehouse) of IOCL (Indian Oil Corporation Limited) catering more than 250 satisfied customer across Telangana and Andhra Pradesh. Heading Dugar Polymers Limited as Vice President since 5 years, he is a dedicated and sincere personality constantly striving to achieve best results.
Date of first appointment on the Board	17/12/2015
Number of shares held in the company as on March 31, 2020	NIL
Number of meetings of the Board attended during the financial year (2019-20)	8
Directorships of other Boards as on March 31, 2020	2 (Two) Directors in Subh Shree Seeds Pvt Ltd, Indpark MSME(Pramukh) Pvt Ltd
Membership / Chairmanship of Committees of other Boards	2 (Two) Nomination & Stake Holder Relationship

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 9th Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2020.

➤ **FINANCIAL RESULTS:**

The Company's financial performance for the year ended March 31, 2020 is summarized below:

Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	2013.45	302.11	8939.55	6706.68
Other Income	19.47	103.02	125.52	131.48
Total Income	2032.92	405.13	9065.07	6838.16
EBITDA	80.67	82.33	264.75	263.79
Less: Finance Costs	32.32	36.85	128.93	149.73
Less: Depreciation	25.48	28.45	29.56	22.50
Profit Before Tax, share of profit of joint venture and associate	22.86	17.12	106.27	90.57
Share of profit in joint venture and associate, net of tax	--	-	--	-
Profit Before Tax	22.86	17.12	106.27	90.57
Less: Tax Expenses	2.5	0.42	25.02	20.61
Profit for the year	20.36	16.61	81.24	69.96
Add: Surplus Brought Forward from Previous Year	(60.02)	(76.63)	59.66	(10.30)
Surplus Available	(39.66)	(60.02)	140.91	59.66
Appropriations made to Surplus:	-	-	-	-
Dividends including dividend tax	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance carried to Balance Sheet	(39.66)	(60.02)	140.91	59.66
Basic Earnings per share	0.66	0.54	2.64	2.27
Diluted Earnings per share	0.66	0.54	2.64	2.27

Note: The above figures are extracted from the standalone and consolidated financial statements

➤ **OVERVIEW OF FINANCIAL AND BUSINESS OPERATIONS:**

The Company's Standalone revenues from operations was Rs.2013.45 lakhs for the FY 2019-20 as compared to Rs. 302.11 lakhs for the previous FY 2018-19-. The Company has made Net Profit of Rs. 20.36 lakhs on standalone basis for the year under review as compared to Net Profit of Rs. 16.61 lakhs for the previous year.

➤ **TRANSFER TO RESERVES**

Rs. 20.36 lacs was transferred to the Reserves for the year ending 31.03.2020.

➤ **DIVIDEND:**

The Company does not recommend any dividend for the year under review.

➤ **MATERIAL CHANGES AFFECTING THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

➤ **SHARE CAPITAL:**

The Authorised Share Capital of the Company is Rs. 50,00,000/- equity shares of Rs. 10/- each. The Issued, Subscribed and Paid Up Share Capital of the Company is Rs. 30,77,500/- equity shares of Rs. 10/- each.

➤ **TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND (IEPF):**

In terms of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, there were no unclaimed dividends. The Company did not declare any dividend in its lifetime.

➤ **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34(2) of the Listing Regulations, is presented in a separate section, forming part of the Annual Report.

➤ **SUBSIDIARY COMPANY:**

SUBSIDIARY COMPANIES AND THEIR PERFORMANCE AND DEVELOPMENTS

- **Morbido Merchandise Private Limited.**

As per the provisions of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies, Joint Ventures and Associates is prepared in Form AOC-1 and it forms part of the consolidated financial statements and attached as **Annexure "1"** to this report.

During the year under review, no company has become or ceased to be Company's subsidiary company.

➤ **CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements, in terms of Section 129 of the Companies Act, 2013 and regulation 34 of the Listing Regulations and prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereof forms a part of this annual report. The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiary as approved by the respective Board of Directors. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its Subsidiary which forms a part of the Annual Report.

➤ **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6).

➤ **DISCLOSURES ABOUT RECEIPT OF ANY COMMISSION BY MD /WTD FROM COMPANY OR ANY COMMISSION/REMUNERATION FROM THE SUBSIDIARIES**

The Managing Director of the Company, has received remuneration of Rs. 12.00 lacs from the subsidiary Morbido Merchandise Private Limited during the financial year 2019-20.

➤ **SECRETARIAL STANDARDS:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

➤ **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 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 as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- 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 for the financial year ended March 31, 2020;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

➤ **CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance as **Annexure "2"** to this report. .

➤ **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The company has formulated a familiarization programme for the Independent Directors to provide sights into the company to enable the Independent Directors to understand its business in depth and contribute significantly to the company.

➤ **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, except with the wholly owned subsidiary, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

The particulars of contracts or arrangements with related parties referred to in section 188(1) are prepared in 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 and the same is enclosed as **Annexure "3"** to the Board's report.

➤ **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Provisions of CSR are not applicable to the Company.

➤ **NOMINATION AND REMUNERATION COMMITTEE:**

The Company's Nomination and Remuneration committee consists of majority of Independent Directors which ensures transparency in determining the remuneration of Directors, KMPs and other employees of the Company. The Chairman of the committee is an Independent Director, thereby resulting in independent and unbiased decisions.

During the financial year 2019-20, the composition of Nomination and Remuneration Committee is provided below.

Name	Category
Mr. Dilip Kumar Surana, Chairman	Independent, Non-Executive
Mr. Arvind Surana	Independent, Non-Executive
Mr. Naresh Kathotia	Independent, Non-Executive

The Performance Evaluation and Remuneration Policy framed by the Committee and approved by the Board is directed towards rewarding performance of Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company based on review of achievements periodically.

➤ **RISK MANAGEMENT:**

Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. Your Company has proper process for Risk Management.

➤ **INTERNAL FINANCIAL CONTROLS**

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

➤ **INTERNAL AUDIT & CONTROLS:**

Your Company continues to engage M/s Affinity Global Services Private Limited as its Internal Auditors. During the year, your Company continued to implement their suggestions and recommendations to improve the internal controls. Their scope of work includes review of operational efficiency, effectiveness of systems & processes, compliances and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings.

➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Renu M Dugar , Non-Executive Director of the Company, retires by rotation at the 9th Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the Companies Act and the Listing Regulations.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors. Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued there under and the Listing

Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors/ Board/ Committees was carried out in accordance with the policies in force.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, management persons are asked to make presentations about performance of the Company. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Mr. Manoj Kumar Dugar, Chairman and Managing Director, Mrs. Renu Dugar, Executive Director, Mr. Rajesh C Dugar, Executive Director, Mr. Abhishek Kumar Sahal, Chief Financial Officer and Ms. Deepika Sureka, Company Secretary and Compliance Officer are Key Managerial Personnel of the Company during the year under review.

➤ **AUDITORS & THEIR REPORT:**

Statutory Auditors

M/s. Luharuka & Associates, Firm of Chartered Accountants, Hyderabad were appointed as Auditors of the Company, for a term of 5 (five) years, at the 8th Annual General Meeting held on September 30, 2019. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

The Board had appointed M/s. Saurabh Poddar & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure 4** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

➤ **DISCLOSURES:**

Meetings of the Board

Eight(8) meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

Audit Committee

The Audit Committee comprises majority Independent Directors namely Mr. Naresh Kathotia (Chairman), Mr. Dilip Kumar Surana and Mr. Manoj Kumar Dugar as other members. During the year all the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Company has a Vigil mechanism and a Whistle - blower policy in accordance with provisions of the Act and Listing Regulations, under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Chairman and Managing Director is published in the Corporate Governance Report which forms part of the annual report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement (Please refer to Note No. 6 & 7 to the standalone financial statement).

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure 5** to the Board's Report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure 6** to this Report.

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended thereof, none of the employees drawn remuneration in excess of the limits set out in the said rules.

Your Directors further state that, the remuneration paid to the Key managerial Personnel and others is as per the Remuneration Policy of the Company. Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure 7** to this Report.

DECLARATION ABOUT COMPLIANCE WITH CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL

The company has complied with the requirements about the Code of Conduct for Board members and Senior Management Personnel.

POLICY ON SEXUAL HARASSMENT

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" for the matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no material significant orders passed by the Regulators or Courts which would impact the going concern status of the company and its future operations.

HUMAN RESOURCE

Your company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and the work environment propels them to achieve higher levels of performance. The unflinching commitment of employees is the driving force behind the company's vision. Your company appreciates the dedication of its employees.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employee Stock Option Scheme referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Cost Audit is not applicable for the financial year 2019-20.

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

➤ **APPRECIATIONS AND ACKNOWLEDGEMENTS:**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors wishes hereby to place on record their appreciation for the committed services by the Company's executives, staff and workers.

behalf of the Board of Directors
Sd/-
Manoj Kumar Dugar
Chairman and Managing Director
DIN: 0352733

Secunderabad, July 17, 2020

ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE-1
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Name of the Subsidiary	Morbido Merchandise Pvt Limited	
	2019-20	2018-19
1. Share Capital	10,00,000/-	10,00,000/-
2. Reserves & Surplus	1,80,77,397/-	1,19,88,644/-
3. Total Assets	23,50,16,498/-	20,40,01,659/-
4. Total Liabilities	23,50,16,498/-	20,40,01,659/-
5. Investments	-	-
6. Turnover	70,54,37,261/-	64,04,57,357 /-
7. Profit before taxation	83,40,448/-	73,44,503/-
8. Provision for taxation	22,08,658/-	19,20,000/-
9. Profit after taxation	60,88,753/-	53,34,026/-
10. Proposed Dividend	-	-
11. % of shareholding	100	100

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NIL
1. Latest audited Balance Sheet Date	N.A
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A
No.	N.A
Amount of Investment in Associates/Joint Venture	N.A
Extend of Holding%	N.A
3. Description of how there is significant influence	N.A
4. Reason why the associate/joint venture is not consolidated	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A
6. Profit/Loss for the year	N.A
i. Considered in Consolidation	N.A
ii. Not Considered in Consolidation	N.A

Sd/
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/
Rajesh C Dugar
Director
DIN: 0730059

Place: Secunderabad Date: 17-07-2020

Annexure "2"
REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange)

1. A brief statement on Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the Company to achieve the goal of maximizing value for all its stake owners. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

(i) **Composition of Board:** As on 31st March 2020, the Board consists of Six Directors. The Company has an optimum combination of Executive and Non-Executive Directors with one Woman Director. One half of the Board of Directors of the Company comprise of independent directors. The composition of the Board is in conformity with Clause 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges.

(ii) **Board and Committee Meetings:** None of the Directors on the Board is a member of more than 10 companies or Chairman of more than 5 committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at 31st March 2020 have been made by the Directors.

Name	Category	No. of Board Meetings During the year 2019-20		Whether attended last AGM or not held on 30th September 2019	No. of Director ships in all other Companies	No. of Committee positions held	
		Held	Attended			Chairman	Member
Mr. Manoj Kumar Dugar	Promoter Managing Director	8	7	Yes	7	Nil	1
Mrs. Renu Dugar	Promoter Non Independent Women Director	8	8	Yes	2	Nil	Nil
Mr. Rajesh Kumar Dugar	Promoter Non Independent Director	8	7	No	6	Nil	Nil
Mr. Dilip Kumar Surana	Independent Director	8	8	Yes	2	1	3
Mr. Naresh Kathotia	Independent Director	8	8	No	1	1	3
Mr. Arvind Surana	Independent Director	8	8	Yes	2	1	2

- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of directorships and committee memberships held by them in other companies are given below:
- (iv) Eight (8) Board Meetings were held during the year 2019-20 and the gap between 2 meetings did not exceed 120 days. The dates on which the Board Meetings held were 7th May 2019, 22nd May 2019, 5th August 2019, 3rd September 2019, 2nd November 2019, 14th November 2019, 16th January 2020 and 14th February 2020.

3. Code of Conduct

The Code of Conduct has been adopted by the Board of Directors, which is applicable to all the Directors, both Executive and Non-Executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

Information placed before the Board

- Agenda papers along with detailed notes are being circulated in advance of each meeting of the board.
- Corporate Governance Reports
- Quarterly Compliance Reports & Investor Grievance Reports.
- Directors with material pecuniary or business relationship with the company.
- Quarterly Financial Results Standalone & Consolidated with Notes thereon
- Minutes of the Previous Board Meetings.
- Materially important Litigations, demand, show cause, penalty, prosecution notices.
- Operations Review Information i.e contracts etc.

4. Policy for the Formal Evaluation of the Board:

Objective:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

Criteria for Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and also the other directors on the Board.

- Attendance and contribution at Board and Committee meetings.
- His/her stature, appropriate mix of expertise, skills, experience, and understanding of business, strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.(this criteria is adopted based on the basic qualification and other acquired skills of the individual)
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company so as to achieve organizational successes.
- Quality of decision making in the various business processes, understanding financial statements and business performance.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

Evaluation of the performance:

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company and also based on the above mentioned criteria.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and also based on Board member feedback.

Effectiveness of the board:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

5. Audit Committee

- i. The Audit committees are responsible for overseeing the work of the auditors. They also need to ensure that the auditor has an appropriately independent mind set from management and is truly objective. Ultimately, this will enable the audit committee to draw conclusions about the effectiveness of the audit.
- ii. The committee establishes procedures for accepting confidential, anonymous concerns relative to financial reporting and internal control matters. Often referred to as a “whistle-blower policy,” the procedures allow individuals to bring questions and issues to light without fear of retribution. It is the audit committee's responsibility to create an environment that accommodates an open discussion in a culture of integrity, respect and transparency between management and auditors. The audit committee is responsible for the appointment, compensation and oversight of the work of the auditor, 2013.
- iii. The Company's Audit Committee comprises of the following Directors of whom 66.67% are Non-Executive, Independent Directors:
 1. Shri Naresh Kathotia - Chairman
 2. Shri Manoj Kumar Dugar - Member
 3. Shri Dilip Kumar Surana - Member
- iv. The terms of reference and the role of the audit committee is to overview the accounting systems, financial reporting and internal controls of the company. The Powers and role of audit committee are as set out in the listing agreement and section 177 of the Companies Act, 2013.
The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Non-Executive and Independent Directors. Shri Naresh Kathotia, Independent Director was heading the Audit Committee as Chairman.
- v. During the year 2019-20 the Audit Committee met Five (5) times on 7th May 2019, 22nd May 2019, 14th August 2019 ,14th November 2019 and 14th February, 2020. The Statutory auditors and Managing Director were invited for the meetings. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2019-20	
		Held	Attended
Shri Naresh Kathotia	Independent	5	5
Shri. Manoj Kumar Dugar – Member	Managing Director	5	5
Shri. Dilip Kumar Surana – Member	Independent	5	5

vi. Recommendations of Audit Committee

The Audit committee has reviewed the Financial Statements submitted by the Management. The Management is responsible for the company's internal control over financial reporting and the financial reporting process. The independent auditors are responsible for performing an independent audit of the company's financial statements in accordance with Generally Accepted Auditing Principles and issuing a report thereon. The committees' responsibility is to monitor these processes.

Further the committee has recommended the following to the board

- (a) The standalone audited financial statements for the year ended 31st March 2020.
- (b) The Appointment of M/s. Saurabh Poddar Associates, Company Secretary as secretarial auditor for the financial year ending 31st March 2020.

6. Nomination and Remuneration Committee

- i. The Nomination and Remuneration Committee was reconstituted as follows :
 1. Shri Dilip Kumar Surana - Chairman
 2. Shri Naresh Kathotia - Member
 3. Shri Arvind Surana - Member
- Formulation of the criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.
 - Formulation of criteria for evaluation of Independent Directors on the Board.

- Devising a policy on Board diversity.
 - Identifying persons who are qualified to become directors and person suitable to be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- ii. **Remuneration policy:** The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee. The Executive Directors and Non Independent Directors of the Company are not entitled to sitting fees.
- iii. During the financial year 2019-20, the committee has met on Two (2) occasions on 7th May 2019 and 5th August, 2019.
- iv. **Details of remuneration to all the Directors, as per format in main report:** During the year under review, managerial remuneration was paid to Mr. Manoj Kumar Dugar.
The company does not have any stock option plan or performance linked incentives for any directors of the Company. The appointments are made for a period of five years on the terms and conditions in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.
- v. **Details of Shares of the Company held by the Directors as on March 31, 2020 are given below:**

Name	No. of Shares
Mr. Manoj Kumar Dugar	2,46,200
Mrs. Renu M Dugar	2,15,355

7. Stakeholders' Relationship / Grievance Committee

- i. In terms of Section 178 of the Companies Act, 2013 read with clause 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the stakeholders relationship committee reviews and redresses shareholders grievances. The Committee meets at regular intervals in order to facilitate prompt and effective redressed of shareholders complaints to effect transfers, transmissions and give approval for issue of duplicate share certificates/name deletions etc. The company in coordination with the registrar and transfer agents takes all necessary steps for prompt resolution of all shareholder complaints and committee periodically reviews the report of the same.
- ii. This committee comprises of 3 members. The shareholders relationship committee was reconstituted as follows
- | | | |
|----------------------------|---|----------|
| 1. Shri Arvind Surana | - | Chairman |
| 2. Shri Dilip Kumar Surana | - | Member |
| 3. Shri Naresh Kathotia | - | Member |
- iii. During the financial year 2019-20, the committee has met on Four (4) occasions on 7th May 2019, 14th August 2019, 14th November 2019 and 14th February, 2020.
- iv. The committee looks into transfer and transmission, issue of duplicate share certificates, consolidation and sub-division of shares and investors grievances. The committee oversees the performance of the Registrars and Shares Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- v. The Board has designated Ms. Deepika Sureka as the Compliance Officer and Company Secretary.

- vi. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL. There were no pending complaints, requests for transfers or transmissions or demat/remat, as on 31st March 2020.

8 . Meeting of Independent Directors:

During the year under review, the independent directors met on 14th February 2020, to discuss matters as prescribed under the Companies Act, 2013. They have taken note of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The independent directors also discussed on the long term and short term objectives of the company, the fund raising plans and deployment of funds.

9. Code of Conduct:

The Board of Directors of the company has laid down a code of conduct for all its members and senior management personnel of the company. This code of conduct is uploaded on company's website. The directors and senior management have affirmed their compliance with the code of conduct for the financial year 2019-20.

1. General Body Meetings

- i. Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time
2018-19	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	30.09.2019	11.00AM
2017-18	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	29.09.2018	11.00AM
2016-17	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	29.09.2017	11.00AM

- ii. For the year ended March 31, 2020 4(four) resolutions were passed through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

Financial Year	Date	No. Of Special Resolution passed
2019-20	31-12-2019	4

- iii. Special Resolutions passed at the last Three Annual General Meetings.

- a. At the AGM held on 29.09.2017
- NIL
- b. At the AGM held on 29.09.2018
- Approval to Advance Loans, provide guarantee/security and make investment in excess of the prescribed limit.
 - Approval to Loans to Directors/Interested Parties.
 - Approval to enter into Related Party Transactions
- c. At the AGM held on 30.09.2020
- NIL

10. Disclosures

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

During the year 2019-20, your company has entered into any material transaction with its related parties that may have potential conflict of interests of the company at large.

Your company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transaction.

Approval was granted by the Audit Committee for transactions entered into with the Related Parties for the financial year 2019-20 and the same was reviewed/cleared by the Audit Committee at regular interval.

The necessary disclosures regarding the transactions with the related parties are given in the Notes to the Financial Statements, forming a part of this Report. The policy on the Related Party Transactions is hosted on the company's website www.urbaknitt.com.

i. Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from Accounting Standard.

ii. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The company has in place a Whistle Blower Policy for Vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud and violation of Company's Code of Conduct. None of the personnel have been denied access to the Audit Committee.

iii. Disclosure regarding Compliances made with Mandatory requirements and adoption of Non-Mandatory requirements.

- The Company has complied with all the mandatory requirements of Clause 27 of SEBI (LODR) Regulations 2015 w.e.f 02-09-2015
- Non-Mandatory requirements adopted are as follows:
 1. The Board: The Board was headed by a Chairman & Managing Director.
 2. Shareholder rights: yearly reports were not sent to each household of shareholders as shareholders have been intimated through the press and the Company's Website www.urbaknitt.com.
 3. Audit Qualifications: There are no audit qualifications in the report.
 4. Separate posts of Chairman and CEO: There are separate posts for Chairman and CEO/Managing Director.
 5. Reporting of Internal Auditor: The Internal Auditor Submits his report to the Managing Director and also to the Audit Committee for review, where the company submits its replies and actions taken on the report.

9. Means of Communication

The Financial results and the other important information to shareholders are placed at company's website www.urbaknitt.com. Official news releases are sent to the stock exchanges at Mumbai where the shares of the Company are listed.

10. Management Discussion and Analysis Report

Information on management discussion and analysis forms a part of this Report.

11. General Shareholders information

- a) Company Registration Details:- The Company is registered in the State of Telangana, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51100TG2011PLC072532.

9th Annual General Meeting

Date : August 13, 2020

Time : 4.00 p.m.

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

Financial Year

1st April to 31st March

Dates of Book Closure

13.08.2020 to 20.08.2020 (both days inclusive)

Dividend payment date

No dividend was recommended by the Board for FY 2019-20.

Listing on Stock Exchanges

BSE Ltd, Mumbai

Listing Fee

The Company has paid its annual listing fees to the stock exchange for the financial year 2020-21.

Payment of Depository Fees

Annual Custody fee for the financial year 2020-21 was paid by the Company to NSDL and CDSL.

Stock Market Price Data

	The Stock Exchange, BSE	
	Share Price	
	High	Low
Apr-19	46.00	37.45
May-19	39.00	37.45
Jun-19	37.45	37.45
Jul-19	37.45	37.45
Aug-19	37.00	28.70
Sep-19	32.00	29.80
Oct-19	30.40	27.50
Nov-19	27.50	26.15
Dec-19	31.50	25.75
Jan-20	28.00	24.50
Feb-20	30.80	29.40
Mar-20	33.60	32.00

b. Registrars and Transfer Agents (RTA):

M/s. KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032, Telangana.
Ph: 040 6716 1606 / 1602 , Toll Free No.18003454001
Email: einward.ris@karvy.com , Website: www.karvycomputershare.com

c. Share Transfer System:

In pursuance of SEBI notification No. D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company had appointed M/s KFin Technologies Private Limited as single agency for share registry work. Share transfers and communications regarding share certificates, change of address, etc., must be forwarded to the RTA.

The R & T Agent process the physical Share Transfers and the Shares sent for physical transfers are generally registered within a period of 30 days from the date of receipt, if the documents are clear in all respects.

d. Shareholding Pattern of the Company as on 31st March 2020:

Sl. No	Category	No. of Shares	% of Shareholding
1.	Promoters	1911052	62.10
2.	Mutual Funds and UTI	0	0.00
3.	Banks, Financial Institution, Insurance Companies	0	0.00
4.	Private Corporate Bodies	62153	2.11
5.	Indian Public	1077259	34.91
6.	NRIs/OCBs	6764	0.22
7.	HUF's	19616	0.64
8.	Fractional Shares	656	0.02
	Total	3077500	100.00

Distribution of Shareholding as on 31st March 2020

S.No	Category	Cases	% of Cases	Amount	% Amount
1	1 - 5000	1236	97.32	451349	14.67
2	5001 - 10000	14	1.10	100595	3.27
3	10001 - 20000	6	0.47	97017	3.15
4	20001 - 30000	3	0.24	78541	2.55
5	30001 - 40000	1	0.08	38355	1.25
6	40001 - 50000	1	0.08	41760	1.36
7	50001 - 100000	1	0.08	64831	2.11
8	100001 and above	8	0.63	2205052	71.65
	TOTAL:	1270	100.00	3077500	100.00

f. De-materialization of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt and the company's' ISIN is INE698B01011.

Dematerializations of shares are done through M/s KFin Technologies Private Limited, and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. 95.95% of the paid up capital has been dematerialized as on 31.03.2020.

g. Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

Not Applicable as the Company has not issued any of the above instruments

Address for Correspondence

Sl.No.	Shareholders Correspondence for	Address to
.	Transfer/ Dematerialization/ consolidation/split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company.	M/s. KFin Technologies Private Limited : Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana. Ph: 040 6716 1606 / 1602
2.	Investor Correspondence/queries on Annual Report etc.	Managing Director CDG Petchem Limited PLOT NO 10 &11,MCH No 1-8-304 to 307/10 PATTIGADDA ROAD HYDERABAD- 500 003 Tel : 040-27897743, 27897744 Email: info@urbaknitt.com

Green Initiative in the Corporate Governance

As part of the Green Initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Auditors Report, Audited Financial Statements, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the depositories / Registrar and Transfer Agent and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Transfer Agent / concerned Depository to enable the Company to send the documents in electronic form or inform the Company in case they wish to receive the above documents in paper mode.

12. Reconciliation of Share Capital Audit:

The Company gets the Reconciliation of Share capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Reconciliation of Share capital Audit Report is placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are Listed.

13. Other Shareholders related information:

Regulation 39 read with Schedule VI of the SEBI (LODR) Regulations 2015 with respect to Unclaimed Shares

CDG Petchem Limited has all its shares claimed by the respective shareholders. Hence, this clause of the Regulation does not bind the company.

14. Code of Conduct

To uphold corporate philosophy, the Board of Directors of the company has laid down a code of conduct for all the board members and the senior management of the company as per the clause provided in the listing agreement.

I hereby confirm that the directors on board of the company, the senior management officials have provided an affirmation that they have complied with the code of conduct during the financial year 2019-20.

Place: Secunderabad
Date: 17.07.2020

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2019-20.

Place: Secunderabad
Date: 17.07.2020

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

To,

**The Board of Directors
CDG Petchem Limited**

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violate the company's code of conduct.
- c. 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, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-

Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-

Abhishek Kumar Sahal
Chief Financial Officer
CEDPA8672P

Place: Secunderabad

Date: 17.07.2020

INDEPENDENT AUDITOR'S CERTIFICATE ON THE CORPORATE GOVERNANCE REPORT

To,
The Members of CDG Petchem Limited

- 1 This certificate is issued in accordance with the terms of our engagement letter dated 11th July 2019.
- 2 CDG Petchem Limited ('the Company') requires Independent auditor's certificate on corporate governance as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 April 2019 to 31 March 2020.

Management responsibility

- 3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for compliance with conditions of corporate governance as stipulated in regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2019 to 31 March 2020. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance report and applying an appropriate basis of preparation.

Auditor's Responsibility

- 4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the above said compliances of the conditions of the Corporate Governance for the period 1 April 2019 to 31 March 2020.
- 5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 1 April 2019 to 31 March 2020 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Standalone Ind AS financial statements of the Company.
- 6 We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purposes (Revised 2016) issued by the Institute of Company Secretaries of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Company Secretaries of India.
- 7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- 8 In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of the Schedule V of the Listing Regulations, as applicable.
- 9 We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

- 10 This certificate is issued solely for the purpose of complying with regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2019 to 31 March 2020 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for M/s. Saurabh poddar & Associates

Company Secretaries

FIRM UIN: S2012AP177700

Sd/-

Name: SaurabhPoddar

Designation : Proprietor

Membership No: FCS 9190

COP No: 10787, PR : 785/2020 dated 30th June 2020 | UDIN: F009190B000523761 }Place: Hyderabad Date: 17-07-2020

ANNEXURE TO CG REPORT

Management Discussion and Analysis Report

a. Industry Structure & Development

CDG Petchem Limited (Formerly Known as **Urbaknitt Fabs Ltd**) founded by a team of professional entrepreneurs & qualified experts with the main objective to supply high quality product services to the discerning clients. It will be a leading business entity in India engaged in the activities Merchant Export & Third country Trade, Imports – Marketing & Distribution of Mats / Mattresses ,Insulation Sheet and Pillows.

Your Company has diversified its business profile through its 100% subsidiary company (Morbido Merchandise Private Limited) for the purpose of Imports – Marketing & Distribution Services of world class products (Chemicals) to several industries ranging from Plastics, Polymers, Construction, and Paint etc. It also offers to our Indian customers a broad range of products from leading producers located worldwide through Imports, Marketing & Distribution of multinational company.

The subsidiary Company will participate in growth of CDG Petchem Limited by expanding its customer base of Chemicals to several industries ranging from Plastics, Polymers, Construction, and Paint etc with international collaborations .

b. Opportunities

The Indian Plastic Industry clearly has the potential to continue its fast growth. It is expanding at a phenomenal pace, with plastic being significantly used in innovating new applications in industries like food processing, packing, healthcare thereby increasing demand for plastic altogether.

The industry has many growth opportunities owing to the wide applicability of Plastic / disposable products. The Demand for companies Products has been constantly on an increase in the market.

c. Threats, Risks & Concerns

Investors should read the Risk Factors mentioned in this Information Memorandum.

Over the next few years, competition in the industry is also expected to rise considerably, as a result of Global trends. To survive competition both polymer manufacturer and processors will need to adopt radically new methods and approaches to reduce costs, improve market and customer services and management performance.

The international oil Prices have been constantly fluctuating leading to up and down in raw material prices.

The threats/ risks for the industry relate to stiff competition throughout and lesser margins. The same can gradually overcome by the industry in view of the wide usage of the PP products and also growing of demand with new technologies to reduce costs to become more competitive.

d. Segment wise performance

The segment wise performance is not applicable as the company has only one segment.

e. Outlook

The Company is expecting a growth rate as well as stabilization of production of PP Disposable wares and reaches optimum capacity utilization. The company is expecting high growth rate in this area.

f. Discussion on financial performance with respect to operational performance

During the year under review the company has achieved a turnover of ₹ 2013.44 lakhs as against ₹ 302.10 lakhs in the previous year. During the Year the company's Net Profit before tax of ₹ 20.35 lakhs as against a profit of ₹ 16.61 lakhs in the previous year.

g. Internal Control system and their adequacy

The Company has an internal control system commensurate with the size and nature of its business. There is a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against unauthorized use or disposition of assets. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

The Audit Committee supervises the checks and controls exercised, and reports any suggestions or deviation on a continuing basis. The authority and responsibility of every employee is defined, thus, leaving no space for any deviations.

h. Material developments in Human Resources/Industrial Relation front, including number of people employed

The focus is on capability development, performance management and employee engagement. This is expected to improve cost competitiveness through greater levels of employee participation, commitment and involvement.

The Company recognizes the importance and contribution of its employees to the growth and development of the Company. The Company continued to maintain cordial relations with employees and staff. The Company has 8

employees on the rolls, as on 31st March 2020.

II. Financial /operational performance:

Sources of Funds

1. Share capital

The Company has only one class of shares- equity shares of par value Rs. 10/- each. Our Authorised share capital is Rs. 5,00,00,000 (50,00,000 shares of Rs. 10/- each) and issued and paid-up capital is Rs.3,07,75,000(30,77,500 shares of Rs. 10/- each)

2. Reserves and Surplus

At the beginning of the year the company has Reserves as follows:

Share Premium Nil, General Reserve Nil and debit balance of Profit and Loss Account of (Rs. 60,02,331/-.) and at the end it was (Rs. 39,66,590/-.)

Application of Funds

3. Fixed Assets

During the year the company did not incur any capital expenditure.

5. Deferred taxes – Assets and Liabilities

The Company has Deferred Tax Liability (Net) amounting to Rs. 2,50,366/- as against a liability of Rs. 42,046/- in previous year, attributable to difference between depreciation as per companies act 2013 and Income Tax Act-1961

6. Trade Receivables

During the year the company has trade receivables of Rs. 2,60,46,127/- as against Rs 1,47,43,307/- in previous year.

7. Inventories

During the year the company has inventories are Rs. 1,91,28,203/- as against of Rs. 2,02,88,844/- in previous year.

8. Cash and Cash Equivalents

The opening balance of cash and cash equivalents as at the beginning of the year is Rs 3,20,686/-. The closing balance of Cash and Cash Equivalents is Rs 2,31,383/- held as cash, balances in current account and in deposit accounts.

9. Liabilities

The company has Rs. 3,26,07,179/- as long term liabilities as on 31st March, 2020.

10. Trade Payables

Trade payables at the beginning of the year were at Rs. 54,23,020/- and at the end of the year were Rs. 1,57,98,113/-.

11. Provisions

During the year the company has provisions of Rs 2,03,910/- as against Rs 3,34,981/- in previous year.

III . Results of Operations

1. Income

The Company has generated income from business operations of Rs. 20,13,44,521/-.

2. Other Income- Rs. 19,46,743/-

Other income of the company includes interest income, commotion and sundry balances.

3. Net Profit

The company had reported a Net Profit of Rs. 20,35,741/- as against a Net Profit of Rs 16,61,660/- in the previous period.

4. EPS after Exceptions

Positive Earnings per share for the year was 0.66 as against 0.54 in the previous year.

5. Liquidity

The Company has adequate working capital and is not depended on external resources for filling up of the gap. The company may consider to raising further equity to improve the working capital position and also for future business requirements.

6. Related Party Transactions

Transactions with related parties have been made at an arms length basis and hence are not prejudicial to the interest of the company.

These have been discussed in detail in Notes on Accounts to the standalone financial statements in this Annual report.

IV. Opportunities and Threats

- Our Strengths

- **Our Strategy**
- **Our Competition**

We compete with small and mid-sized companies in Government and large corporations in Manufacturing Sector.

V. Outlook, Risks & Concerns

- Our revenue and expenses are difficult to predict and can vary significantly from period to period.
- Our success largely depend upon retaining skilled technology professionals and our ability to hire, motivate and retain them.
- We are a company in mid segment space and may not be providing adequate confidence to companies / customers for long term contracts.
- We may not be able to sustain the working capital cycles.
- Our success depends on our management team and key personnel and our ability to attract and retain them.
- Our failures to complete fixed price and fixed time frame contracts or transaction based pricing contracts within budget and on time may adversely affect our profitability.
- We may not be able to provide end to end business solutions for our clients which could lead to clients discontinuing their work with us which in turn could impact our business.

VI. Internal Control Systems and their adequacies

The CEO and CFO certification provided in the Annual report discusses the adequacy of our internal control systems and procedures.

VII. Material Developments in Human Resources / industrial relations, number of people employed.

Human Capital

As at March 31st 2020, the company employed about 8 employees which includes, trainees, process executives and administration.

Risk Management Framework:

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's Board believes that to ensure sustainable business growth with stability of affairs and operations of the Company, periodical review of various risks having a bearing on the business and operations is vital to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. Further, it is also belief of your management that Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid or minimize the impact of the risks.

Keeping in view of the above, your Company's risk management is embedded in the continuous business processes and as a part of review of business and operations, your Board with the help of the management periodically reviews various risks associated with the business and products of the Company and considers appropriate risk mitigation process. However there are certain risks which cannot be avoided but the impact can only be minimized.

The risks and concerns associated with each segment of your company's business are discussed while reviewing segment-wise Management and Discussion Analysis. The other risks that the management reviews also include:

- a. Industry & Services Risk: this includes Economic risks like demand and supply chain, Profitability, Gestation period etc.; Services risk like infrastructure facilities; Market risk like consumer preferences and distribution channel etc.; Business dynamics like inflation/deflation etc.; Competition risks like cost effectiveness
- b. Management and Operational Risk: this includes Risks to Property; Clear and well defined work process; changes in technology / up gradation; R&D Risks; Agency network Risks; Personnel & labour turnover Risk; Environmental and Pollution Control Regulations etc.; Locational benefits near metros
- c. Market Risk: this includes Raw Material rates; Quantities, quality, suppliers, lead time, interest rates risk and forex risk.
- d. Political Risk: this includes Elections; War risk; Country/Area Risk; Insurance risk like Fire, strikes, riots and civil commotion, marine risk, cargo risk etc.; Fiscal/Monetary Policy Risk including Taxation risk.
- e. Credit Risk: this includes Creditworthiness; Risk in settlement of dues by clients and Provisions for doubtful and bad debts
- f. Liquidity Risk: this includes risks like Financial solvency and liquidity; Borrowing limits, delays; Cash/Reserve management risks and Tax risks

- g. Disaster Risk this includes Natural calamities like fires, floods, earthquakes etc.; Man made risk factors arising under the Factories Act, Mines Act etc.; Risk of failure of effective disaster Management plans formulated by the Company.
- h. System Risk this includes System capacities; System reliability; Obsolescence risk; Data Integrity risk & Co- ordination and Interface risk.
- i. Legal Risk: this includes Contract risk; Contractual liability; Frauds; Judicial Risk and Insurance risk
- h. Government Policy: This includes Exemptions, import licenses, income tax and sales tax holidays, subsidies, tax benefits etc. Further your Board has constituted a Risk Management Committee, inter-alia, to monitor and review the risk management framework

Sd/-

Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-

Renu M Dugar
Director
DIN: 00235675

Date: 17.07.2020 Place: Secunderabad

CAUTIONARY STATEMENT

Statements in Management Discussion and Analysis describing the Company' objectives, projections, estimates and expectation may be "forward looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statement.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
M/s. CDG Petchem Limited
Plot No 10 &11,MCH No 1-8-304 to 307/10
Pattigadda Road ,
Hyderabad -500003.

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. CDG Petchem Limited, having CIN (Corporate Identification Number) **L51100TG2011PLC072532** and having its Registered Office at Plot No 10 &11,MCH No 1-8-304 to 307/10, Pattigadda Road, Hyderabad – 500 003, Telangana, India (the Company), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other **Statutory Authority:**

Sl. No.	NAME	DESIGNATION	DIN
1.	Mr. Manoj Kumar Dugar	Chairman & Managing Director	00352733
2.	Mrs. Renu Dugar	Non-Executive Director	00235675
3.	Mr. Rajesh Chandanmal Dugar	Executive Director	00730059
4.	Mr. Naresh Kathotia	Independent Director	00787683
5.	Mr. Dilip Kumar Surana	Independent Director	02849536
6.	Mr. Arvind Surana	Independent Director	00220367

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for Saurabh Poddar & Associates
Company Secretaries

Saurabh Poddar
Proprietor
FCS No. 9190
C P No.: 10787
UIN:- F009190B000508590

Place: Hyderabad
Date: 17-07-2020

Annexure “3”

Disclosure of particulars of Contracts/Arrangements entered into by the Company

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)

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 arm's length transactions under third proviso thereto.

Sl.No.	Names of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts or arrangements or transaction including the value, if any:	Salient terms of the contracts or arrangements or transaction including the value, if any:	Date(s) of approval by the Board/:	Amount paid as advances , if any:	Justification for entering into contracts
1.	M/s. Ayushman Merchants Private Limited (KMP are interested)	Purchase of goods	FY 2019-20	Rs 35,400/-		NIL	The transaction is at arm's length price
2.	Dugar Polymers Limited (KMP are interested)	Purchase of goods	FY 2019-20	Rs 1,93,47,034/-		NIL	The transaction is at arm's length price
3.	Du-Luk Polymers Private Limited (KMP are interested)	Purchase of goods	FY 2019-20	Rs. 1,96,066/-		NIL	The transaction is at arm's length price
4.	M/s. Morbido Merchandise Private Limited (KMP are interested)	Purchase of goods	FY 2019-20	Rs. 29,95,018/-		NIL	The transaction is at arm's length price
5.	M/s. Ayushman Merchants Private Limited (KMP are interested)	Sale of goods	FY 2019-20	Rs 60,08,323/-		NIL	The transaction is at arm's length price
6.	Dugar Polymers Limited (KMP are interested)	Sale of goods	FY 2019-20	Rs 26,86,211/-		NIL	The transaction is at arm's length price
7.	M/s. Morbido Merchandise Private Limited (KMP are interested)	Sale of goods	FY 2019-20	Rs. 98,31,906/-		NIL	The transaction is at arm's length price
8.	Manoj Kumar Dugar , Managing Director	Remuneration	FY 2019-20	Rs 6,00,000/-		NIL	The transaction is at arm's length price

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

Sd/-

Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-

Renu M Dugar
Director
DIN: 00235675

Place: Secunderabad
Date: 17.07.2020

Annexure 4

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31-03-2020

[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]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2020**

To,
The Members,
M/s. CDG Petchem Limited
Hyderabad- 500 003, Telangana.

I, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. CDG Petchem Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. CDG Petchem Limited ,books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 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:

I, have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. CDG Petchem Limited (“the Company”) for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment. (There were no External Commercial Borrowings transactions in the company, during the Audit Period); **Not applicable to the Company during the Audit Period**
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not applicable to the Company during the Audit Period)
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(vi) I further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the company has complied with laws applicable specifically to the company:

I, have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India
(ii) The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

All decisions at Board Meetings and Committee Meetings were carried out as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that the Company has appointed Company Secretary and Compliance Officer on the 5th August 2019 pursuant to section 203 of the Act, prior to which the position was vacant since 2nd September 2018. The BSE Limited had vide its letter dated 14th May 2019 has levied a fine for non-appointment of compliance office against which the company has given suitable reply to the exchange and the said according to the management has been waived off.

I 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.

I further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

Date : 17-07-2020
Place : Hyderabad

Sd/-
Saurabh Poddar & Associates
FCS No. 9190
C P No.: 10787
UDIN: F009190B000509030

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
M/s. CDG Petchem Limited
Hyderabad- 500 003, Telangana.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained 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. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date : 17-07-2020
Place : Hyderabad

Sd/-
Saurabh Poddar & Associates
FCS No. 9190
C P No.: 10787
UDIN: F009190B000509030

Annexure 5

Information under section 134 of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming a part of Directors' Report.

Conservation of Energy

The Company is striving to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. The adoption of the above helps to control the proportionate increase in total energy usage consequent to overall increase in production. The total energy consumption is given as per form-A below:

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

PARTICULARS	2019-20	2018-19
POWER & FUEL CONSUMPTION		
Electricity		
a) Purchased		
• Units	132291	137401
• Total Amount (Rs.)	1314955	1598136
• Rate Per Unit (Rs.)	9.94	11.63
b) Own Generation		
• Through diesel generator	--	--
• Units (Liters)	--	--
• Total Cost (Rs.)	--	--
2. Coal (specify quality and where used)		
• Quantity	--	--
• Total Cost (Rs.)	--	--
• Average Rate (Rs.)	--	--
3. Furnace Oil		
• Quantity (Liters)	--	--
• Total Amount (Rs.)	--	--
• Average rate (Rs.)	--	--
4. Natural gas		
• Quantity	--	--
• Total Amount (Rs.)	--	--
• Average rate (Rs.)	--	--
CONSUMPTION PER UNIT OF PRODUCTION:		
The consumption of raw material per Kg. is	-

FORM B (See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption (R&D)

A. Research and Developed (R&D) - NIL

B. Technology absorption, adoption and innovation - NIL

C. Foreign Exchange Earnings and Outgo:

		Amount in Rs. 2019-20	Amount in Rs. 2018-19
Earnings	Nil	Nil
Outgo	Nil	Nil

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

Place: Secunderabad

Date: 17.07.2020

Annexure -6

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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:

2.	CIN	L51100TG2011PLC072532
3.	Registration Date	07/02/2011
4.	Name of the Company	CDG PETCHEM LIMITED (Formerly Known as Urbaknitt Fabs Limited)
5.	Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
6.	Address of the Registered office & contact details	Plot No 10 &11, MCH No 1-8-304 to 307/10, Pattigadda Road Hyderabad, Telangana, 500003. Email-Id: info@urbaknitt.com
7.	Whether listed company	YES (LISTED-IN- BSE)
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s.Kfin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana., Ph: 040 6716 1 606 / 1602

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.

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Shade Nets, Safety Nets and Technical Fabrics	13919 13922 13923 13925	100

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

S.No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate company	% Of Shares	Applicable Section
1	Morbido Merchandise Private Limited Shyam Arihant, , 1-8- 304-7/10 &11, Pattigadda Road, Secunderabad, Rangareddy TG 500003 IN	U17100TG2016PTC1 10537	Wholly Owned Subsidiary	100.00	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage Of Total Equity)

i. Category- Wise Shareholding Pattern

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	1911052	0	1911052	62.10	1911052	0	1911052	62.10	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	1911052	0	1911052	62.10	1911052	0	1911052	62.10	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	1911052	0	1911052	62.10	1911052	0	1911052	62.10	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	137780	5789	143569	4.67	156699	5789	162488	5.28	0.61

(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	361068	121590	482658	15.68	377407	11913 6	496543	16.13	0.45
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	536835	0	536835	17.44	499301	0	499301	16.22	-1.22
(c)	Others									
	CLEARING MEMBERS	1993	0	1993	0.06	0	0	0	0.00	-0.06
	NON RESIDENT INDIANS	977	0	977	0.03	936	0	936	0.03	0.00
	NRI NON-REPATRIATION	416	0	416	0.01	7180	0	7180	0.23	0.22
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	1039069	127379	116644 8	37.90	1041523	12492 5	116644 8	37.90	0.00
	Total B=B(1)+B(2) :	1039069	127379	116644 8	37.90	1041523	12492 5	116644 8	37.90	0.00
	Total (A+B) :	2950121	127379	307750 0	100.00	2952575	12492 5	307750 0	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	2950121	127379	307750 0	100.00	2952575	12492 5	307750 0	100.00	

ii. Shareholding of Promoters/Promoters Group:

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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 total shares	
1	RENU DUGAR	215360	7.00	0	215360	7.00	0	0
2	TARA DEVI DUGAR	369325	12.00	0	369325	12.00	0	0
3	MANOJ KUMAR DUGAR	256525	8.34	0	256525	8.34	0	0
4	RAJESH KUMAR DUGAR	276975	9.00	0	276975	9.00	0	0
5	RENU DUGAR	300362	9.76	0	300362	9.76	0	0
6	CHIRAG DUGAR	246250	8.00	0	246250	8.00	0	0
7	DIVAY DUGAR	246255	8.00	0	246255	8.00	0	0
	TOTAL	1911052	62.10	0	1911052	62.10	0	0

iii. Change in Promoter Shareholding (please Specify, if there is No Change):No Change

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of 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				
1	BALRAM CHAINRAI	294000	9.55	294000	9.55
2	HDFC Bank Limited	0	0	64831	2.11
3	BHARATHI ALLURI	45101	1.47	41760	1.36
4	ALLURI SAHADEVA RAJU	34344	1.12	34344	1.12
5	BHAGCHAND MAHESHWARI	28651	0.93	28651	0.93
6	TOPSTAR INFRASTRUCTURES PRIVATE LIMITED	0	0	25000	0.81
7	MAYADEVI BIHANI	24890	0.81	24890	0.81
8	ASHOK HUMAD	19250	0.63	19250	0.63
9	GUDIPUDI VEERAMATHA	18000	0.58	18000	0.58
10	NARAYAN PRASAD MUNDHRA	0	0	17761	0.58
10	RAGHAV HOLANI	0	0	15400	0.50

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	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
1	Rajesh Kumar Dugar				
	At the beginning of the year	276975	9.00	276975	9.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Transfer/ Sell				
	At the End of the year	276975	9.00	276975	9.00
2	Arvind Surana				
	At the beginning of the year	0	0	0	0

	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL	0	0	0	0
	At the End of the year	0	0	0	0
3	Renu Dugar				
	At the beginning of the year	215360	6.99	215360	6.99
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): Transfer/ Purchase				
	At the End of the year	215360	6.99	215360	6.99
4	Manoj Kumar Dugar				
	At the beginning of the year	256525	8.34	256525	8.34
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): Transfer/ Purchase	0	0	0	0
	At the End of the year	256525	8.34	256525	8.34
5	Naresh Kathotia	0	0	0	0
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL	0	0	0	0
	At the End of the year	0	0	0	0
6	Dilip Kumar Surana				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL	0	0	0	0
	At the End of the year	0	0	0	0

V. INDEBTEDNESS (Indebtedness Of The Company Including Interest Outstanding/Accrued But Not Due For Payment)
(Amt in INR lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	373.39	-	-	373.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	373.39	-	-	373.39
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	47.31	-	-	47.31
Net Change	(47.31)	-	-	(47.31)
Indebtedness at the end of the financial year				
i) Principal Amount	326.07	-	-	326.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	326.07	-	-	326.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director :

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Manoj Kumar Dugar (MD)	Renu Dugar	Rajesh Kumar Dugar	
1.	Gross salary	6,00,000	-	-	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	-	-	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-	-	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	-	-	0
2	Stock Option	0	-	-	0
3	Sweat Equity	0	-	-	0
4	Commission - as % of profit - others, specify...	0	-	-	0
5	Others, please specify	0	-	-	0
	Total (A)	6,00,000	-	-	6,00,000
	Ceiling as per the Act	As per Act	-	-	As per Act

B. Remuneration to other Directors :

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Dilip Kumar Surana	Naresh Kathotia	Arvind Surana		
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	--
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	--
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	--
	Total Managerial Remuneration	-	-	-	-	--
	Overall Ceiling as per the Act	-	-	-	-	--

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,56,129/-	-	1,56,129/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	1,56,129/-	0	1,56,129/-

VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENSES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

Place: Secunderabad
Date: 17.07.2020

Annexure -7

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Introduction:

The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

Applicable:

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Guiding principle:

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

Directors:

- As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.
- Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors, the Nomination & Remuneration Committee (NRC) considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.
- The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

- The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013 from time to time.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

Reward principles and objectives:

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward policies:

- Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly.
- The Whole Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.
- Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.
- The Whole Time Directors are entitled to customary nonmonetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act.

Key Managerial Personnel [KMP] Senior Management:

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing Director (MD) on the recommendation of the Whole Time Director concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:

- A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
- Perquisites – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
- Retirement benefits - contribution to PF, superannuation, gratuity, etc. as governed by respective acts and rules prevailing in the Company from time to time.
- Motivation /Reward - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by MD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
- Severance payments - in accordance with terms of employment, and applicable statutory requirements, if any.

Other employees:

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policies of motivation / reward / severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Removal:

The Committee may recommend, to the Board removal of a Director, KMP or Senior Management Personnel due to following reasons:

- Any disqualification
- Misconduct
- Breach of Contract or trust
- Conflict in interest
- Such recommendation to the Board shall be with reasons recorded in writing.

Disclosure of information:

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy:

This Remuneration Policy shall continue to guide all future employment of Directors, Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

INDEPENDENT AUDITOR’S REPORT
To the Members of CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited)
Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone financial statements of **CDG PETCHEM LIMITED (Formerly URBAKNITT FABS LIMITED)** (“the Company”), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of change in Equity for the year then ended and notes to the standalone financial statements, including the summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the ‘Auditor’s Responsibility 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 provision of the Act and the Rules there under, 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 on the standalone financial statements.

Emphasis of Matter

4. *We draw our attention to Note 40* of the standalone financial statements, as regards to the management evaluation of COVID – 19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our Audit of Financial Statements of the current period, these matters were addressed in the context of our Audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Physical Inventory Verification	Principal Audit Procedures
<p>The auditor’s responsibility is to ascertain whether the management has satisfactory procedures for physical verification of inventories, so that in the normal circumstances the programme of physical verification will cover all material items of inventories at least once during the year.</p> <p>Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories of stores and spares could not be completed.</p> <p>As per relevant Guidance Note, Auditors are advised to witness implementation of physical verification programme; however, due to the unfavourable circumstances our presence was not possible.</p>	<p>Our audit procedures included but are not limited to detailed written confirmations of inventories held by the stores in-charge of different locations.</p> <p>We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current year purchases present in closing stock and have verified there Goods Receipt Notes and subsequent payments made by the company.</p> <p>We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock;</p>

	comparison of current year gross profit ratio with the gross profit ratio for the previous year; comparison of significant ratios relating to inventories with the similar ratios for other company in the same industry.
--	---

We have determined that there are no other key audit matters to communicate in our report.

Other Information

6. The company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does include the Standalone financial statements and our auditor's report thereon.
7. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtain in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with the governance for the financial statement

9. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards () specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rule, 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditors Responsibilities for the Audit of Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Standalone 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 financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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.
 - Obtain an understanding of internal financial controls 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 with reference to financial statements system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirement

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" statement on the matters Specified in paragraphs 3 and 4 of the Order.

16. As required by section 143(3) of the Act, we further 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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e. on the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 A"; our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to 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 any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S**

Sd/-

**Rameshchand Jain
(Partner) Membership No.023019
UDIN: 20023019AAAACN2629
Place: Secunderabad
Date: 17th July 2020**

Annexure A - to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Standalone Financial Statements of **CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited)** ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing 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 issued by the Institute of 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.

Auditors' Responsibility

3. 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain 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.
4. 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 financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the 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 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31 March 2020, 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 issued by the Institute of Chartered Accountants of India.

Place : Secunderabad
Date: 17th July 2020

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S
Sd/-
Rameshchand Jain
(Partner) Membership No.023019
UDIN: 20023019AAAACN2629

Annexure- B' referred to in Independent Auditors' Report to the members of the Company on the Financial statements for the year ended 31st March, 2020, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanation given us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property held in the name of company.
- (ii) (a) The inventories have been physically verified at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (iii) The company did not grant any loan to corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues, as applicable, with the appropriate authorities in India;

According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans from any financial institution or banks and has not issued debenture.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S
Sd/-
Rameshchand Jain
(Partner) Membership No.023019
UDIN: 20023019AAAACN2629
Place: Secunderabad
Date: 17th July 2020

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) CIN: L51100TG2011PLC072532 Statement of Assets and Liabilities as at March 31, 2020			
Particulars		As at 31st March 2020	As at 31st March 2019
Non-current assets			
(a) Property, plant and equipment	5	275,87,832	301,95,997
(b) Financial Assets			
- Investments	6	10,19,964	10,19,964
- Deposits	7	6,73,100	9,96,100
(c) Other non-current assets	8	47,05,800	47,05,800
		339,86,696	369,17,861
Current assets			
(a) Inventories	9	191,28,203	202,88,844
(b) Financial assets			
- Trade receivables	10	260,46,127	147,43,307
- Cash and cash equivalents	11	2,31,383	3,20,686
- Others financial assets	12	5,11,094	29,29,147
(c) Other current assets	13	50,79,319	57,70,609
		509,96,127	440,52,594
Total assets		849,82,822	809,70,455
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	307,75,000	307,75,000
(b) Other Equity	15	(39,66,590)	(60,02,331)
Total Equity		268,08,410	247,72,669
LIABILITIES			
Non Current Liabilities			
(a) Financial liabilities			
- Borrowings	16	326,07,179	373,38,602
(b) Deferred tax Liabilities(Net)	17	12,26,885	13,53,606
Current liabilities			
(a) Financial liabilities			
- Trade Payables	18	157,98,113	54,23,020
- Other financial liabilities	19	22,82,019	46,96,750
(b) Other current liabilities	20	58,39,919	75,74,230
(c) Provisions	21	2,03,910	3,34,981
(d) Current Tax Liabilities	22	2,16,387	(5,23,403)
		581,74,411	561,97,786
Total liabilities		581,74,411	561,97,786
Total equity and liabilities		849,82,822	809,70,455
Significant accounting policies and key accounting estimates and judgements			
	1 to 4		
See accompanying notes form an integral part of Standalone Financial Statements			
	30 to 42		
AS PER OUR REPORT OF EVEN DATE ATTACHED			
For LUHARUKA & ASSOCIATES,		For and on behalf of the BOD	
Chartered Accountants		of CDG Petchem Limited	
FR NO.01882S			
Rameshchand Jain	Manoj Kumar Dugar	Rajesh Kumar Dugar	
Partner	Chairman & Managing		
M.No. 023019	Director	Director	
Place: Secunderabad	(DIN:00352733)	(DIN 00730059)	
Date: 17th July 2020	Deepika Sureka	Abhishek Kumar Sahal	
	Company Secretary	Chief Financial Officer	

CDG PETCHEM LIMITED				
(Formerly Urbaknitt Fabs Limited)				
CIN: L51100TG2011PLC072532				
Statement of Profit and Loss for the Period Ended 31st March, 2020				
Particulars		Note	For the Period 31st March, 2020	For the Period 31st March, 2019
I	Income			
	Revenue from operations	23	2013,44,521	302,10,797
	Other Income	24	19,46,743	103,02,499
	Total Income		2032,91,264	405,13,296
II	Expenses			
	Cost of Raw Materials and Components Consumed	25	1861,33,198	298,12,126
	(Increase)/Decrease in Inventories	26	(24,62,727)	(91,56,190)
	Employee benefits expense	27	54,09,325	44,36,262
	Finance costs	28	32,32,437	36,85,367
	Depreciation & Amortisation Expense	5	25,48,444	28,45,244
	Other expenses	29	61,44,481	71,77,815
	Total expenses		2010,05,157	388,00,623
III	Profit before tax (I-II)		22,86,107	17,12,674
IV	Tax expense:			
	Current Tax		3,77,088	3,29,518
	Deferred Tax		2,50,366	42,046
	Income tax relating to previous year		-	8,967
	MAT Credit Entitlement		3,77,088	3,29,518
	Total Tax Expense		2,50,366	51,013
V	Profit/(Loss) for the period after tax (V+VIII)		20,35,741	16,61,660
VI	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss		-	-
B	Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income for the year, net of tax (A+B)		-	-
	Total Other Comprehensive Income for the year (IX+X)		-	-
VII	EARNINGS PER EQUITY SHARE			
VIII	Basic and Diluted		0.66	0.54

Significant accounting policies and key accounting estimates and judgements

1 to 4

See accompanying notes form an integral part of Standalone Financial Statements.

30 to 42

AS PER OUR REPORT OF EVEN DATE ATTACHED
For LUHARUKA & ASSOCIATES,
Chartered Accountants
FR NO.01882S

For and on behalf of the BOD
of CDG Petchem Limited

Rameshchand Jain
Partner
M.No. 023019
Place: Secunderabad

Sd/-
Manoj Kumar Dugar
Managing Director & Chairman
(DIN:00352733)

Sd/-
Rajesh Kumar Dugar
Director
(DIN 00730059)

Sd/-
Deepika Sureka
Company Secretary

Sd/-
Abhishek Kumar Sahal
Chief Financial Officer

Date: 17th July 2020

CDG PETCHEM LIMITED
(Formerly Urbaknitt Fabs Limited)
CIN: L51100TG2011PLC072532
Standalone Cashflow Statement for the Period ended 31st March 2020

Amount (in Rupees)

	PARTICULARS	31st March 2020	31st March 2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (Loss) before Tax	22,86,107	17,12,673
	Adjustments for Non-Operating Activities:		
	Depreciation	25,48,444	28,45,244
	Loss/ (Profit) on Sale of Assets	(56,280)	(61,732)
	Finance Cost	32,32,437	36,85,367
	Interest Received	(1,67,380)	(19,81,206)
		55,57,220	44,87,673
	Operating Profit before Working Capital Changes	78,43,327	62,00,346
	Adjustments for Working Capital Changes:		
	Inventories	11,60,641	(38,00,462)
	Trade Receivables	(113,02,820)	(56,62,328)
	Other financial Assets	24,18,053	-
	Other Assets	6,91,290	85,92,956
	Provisions for Expenses	(1,31,071)	29,092
	Trade Payables	103,75,093	(57,08,353)
	Other financial liabilities	(24,14,730)	1,37,437
	Other Current Liabilities	(17,34,311)	24,55,584
	Non Current Financial Assets	3,23,000	(22,964)
	Cash Generation From Operations	(6,14,855)	(39,79,038)
	Direct Taxes Paid/(Refund) (Net)	3,62,704	(11,91,406)
	Net Cash from Operating Activities	75,91,176	10,29,902
	CASH FLOW FROM INVESTING ACTIVITIES		
B.	Acquisition of Fixed Assets (including capital work in progress)	(2,84,000)	(28,38,519)
	Proceeds from Sale of Fixed Assets	4,00,000	45,06,356
	Interest Received	1,67,380	19,81,206
	Net Cash from Investing Activities	2,83,380	36,49,043
	CASH FLOW FROM FINANCING ACTIVITIES		
C.	Interest Paid	(32,32,437)	(36,85,367)
	Repayment of Borrowings	(47,31,423)	(16,02,797)
	Net Cash from Financing Activities	(79,63,860)	(52,88,164)
	Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	(89,303)	(6,09,219)
	Cash and Cash Equivalent (Opening)	3,20,686	9,29,905
	Cash and Cash Equivalent (Closing)	2,31,383	3,20,686

For Luharuka and Associates

Chartered Accountants

Firm Reg No - 018825

Sd/-

Rameshchand Jain

(Partner)

Membership No.023019

Place: Secunderabad

Date: 17th July 2020

Sd/-

Manoj kumar Dugar

Chairman & Managing Director

(DIN: 00352733)

Sd/-

Deepika Sureka

Company secretary

FOR CDG PETCHEM LIMITED

Formerly Known as Urbaknitt Fabs Limited

Sd/-

Rajesh Kumar Dugar

Director

(DIN: 00730059)

Sd/-

Abhishek Kumar Sahal

Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1. Corporate Information

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) (“the company”) is a Company registered under the companies act, 1956. It is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE). The company was incorporated on 7th February 2011, having its registered office at Plot no 10 & 11, MCH No 1-8-304 to 307/10, Pattigadda Road Hyderabad 500003 TG. The company’s CIN No. L51100TG2011PLC072532 . The company is engaged in the manufacture of Knitted Fabrics, Mattresses and Pillows; along with Trading & Distribution of Minerals, Plasticizers, Construction chemicals and plastic Raw Materials.

2. Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2020 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

3. Use of estimates and judgments:

Use of estimates and judgments: The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

4. Significant Accounting Policies:

(a) Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Other income:

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(b) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(c) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

(d) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

(e) Depreciation and amortization:

Depreciation is provided on the straight-line method over the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

(f) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
 - Held primarily for the purpose of trading;
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
 - All other assets are classified as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle;
 - It is held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
 - The Company classifies all other liabilities as non-current.

(g) Financial assets

Financial assets comprise of cash and cash equivalents.

Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset 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 that the company commits to purchase or sell the assets.

Subsequent Measurement:

(i) Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss. The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

De-recognition of Financial Assets:

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(h) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

(j) Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement:

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

(l) Employee Benefits

Employee benefits are charged to the Statement of Profit and Loss for the year.

Provident Fund

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognized, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

Gratuity

The Company has not created any gratuity fund. However adequate provisions have been made in the accounts for gratuity liability. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(m) Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

(n) Leases

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

(o) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

(p) Fair value measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

CDG PETCHEM LIMITED

(Formerly Urbaknitt Fabs Limited)

Notes forming part of the Standalone Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

Note 5: Fixed assets

Tangible assets

Particulars	Gross Block- at cost				Depreciation				Net Block	
	As at April 01, 2019	Additions	Disposals	As at 31 st March 2020	Upto 31st March, 2019	For the period	On deletions	As at 31st March 2020	As at 31st March 2020	As at March 31, 2019
Plant and Machinery	249,24,884	2,84,000	4,00,000	248,08,884	16,96,667	16,19,057	56,280	32,59,444	215,49,440	232,28,217
Computers	3,11,185	-	-	3,11,185	1,88,311	69,788	-	2,58,099	53,086	1,22,874
Electrical Installation and Equipement	58,70,256	-	-	58,70,256	8,46,113	5,57,674	-	14,03,787	44,66,470	50,24,144
Furniture and Fixtures	5,43,057	-	-	5,43,057	88,480	51,590	-	1,40,070	4,02,987	4,54,577
Vehicles	10,87,008	-	-	10,87,008	2,42,987	1,01,628	-	3,44,615	7,42,393	8,44,021
Office Equipment'	8,17,843	-	-	8,17,843	2,95,680	1,48,707	-	4,44,387	3,73,456	5,22,163
Total (A)	335,54,234	2,84,000	4,00,000	334,38,234	33,58,238	25,48,444	56,280	58,50,402	275,87,832	301,95,996

CDG PETCHEM LIMITED
(Formerly Urbaknitt Fabs Limited)
Notes forming part of the Standalone Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

6. Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity Instruments (Unquoted-at cost) (In Subsidiary Co.)		
Morbido Merchandise Private Limited (C.Y 1,00,000 Equity shares, P.Y 1,00,000 Equity Shares of Rs 10/- each fully paid up)	10,19,964	10,19,964
Total	10,19,964	10,19,964

7. Deposits

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good)		
Rent Deposit	2,41,500	5,64,500
Water Deposit	1,600	1,600
Electricity Deposit	3,75,000	3,75,000
Other deposit	55,000	55,000
Total	6,73,100	9,96,100

8. Other non-current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good)		
Capital Advances	47,05,800	47,05,800
Other Advances		
Total	47,05,800	47,05,800

9. Inventory

Particulars	As at 31st March, 2020	As at 31st March, 2019
(As valued and certified by the management)		
Finished Goods	146,51,322	99,03,674
Finished Stock of Traded Goods	37,000	-
Work-in-Progress/at job work	37,47,429	60,69,349
Raw Material	6,92,453	43,15,821
Total	191,28,203	202,88,844

10. Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered Good	260,46,127	147,43,307
Considered Doubtful	-	-
Total (A)	260,46,127	147,43,307
Less : Provision for doubtful debts & Advances (B)	-	-
Total (A-B)	260,46,127	147,43,307

11. Cash and Cash Equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash in Hand	1,50,514	1,92,996
Balances with Banks In Current Accounts	80,869	1,27,690
Total	2,31,383	3,20,686

12. Other Financial Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good)		
Advance for raw material	86,134	26,03,444
Other Advances	4,24,960	3,25,703
Total	5,11,094	29,29,147

13. Other Current Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good)		
Balances with Government Authorities	50,79,319	57,70,609
Total	50,79,319	57,70,609

CDG PETCHEM LIMITED
(Formerly Urbaknitt Fabs Limited)
CIN: L51100TG2011PLC072532

14 . Equity Share Capital

Particulars	As at March 31st, 2020		As at March 31st, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorized Capital				
50,00,000 equity shares of Rs. 10/- each	50,00,000	500,00,000	50,00,000	500,00,000
Issued, Subscribed and Paid-up Capital				
30,77,500 equity shares of Rs. 10/- each fully paid up	30,77,500	307,75,000	30,77,500	307,75,000

a) Terms / rights attached to Equity Shares

The company has only one class of issued equity shares having a par value of Rs.10/- per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31st, 2020		As at March 31st, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares of Rs.10/- each fully paid up				
Shares outstanding at the beginning of the year	30,77,500	307,75,000	30,77,500	307,75,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,77,500	307,75,000	30,77,500	307,75,000

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

Name of the shareholder	As at March 31st, 2020		As at March 31st, 2019	
	Number of shares	% of holding	Number of shares	% of holding
Tara Devi Dugar	3,69,325	12.00%	3,69,325	12.00%
Renu R Dugar	3,00,362	9.76%	3,00,362	9.76%
Balram Chainrai & Anita Chainrai Advani	2,94,000	9.55%	2,94,000	9.55%
Rajesh Kumar Dugar	2,76,975	9.00%	2,76,975	9.00%
Manoj Kumar Dugar	2,56,525	8.34%	2,56,525	8.34%
Divay Dugar	2,46,255	8.00%	2,46,255	8.00%
Chirag Dugar	2,46,250	8.00%	2,46,250	8.00%
Renu M Dugar	2,15,360	7.00%	2,15,360	7.00%
Total	22,05,052		22,05,052	

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) CIN: L51100TG2011PLC072532					
Statement of Changes in Equity for the Period ended 31st March 2020					
A. Equity Share capital					
Particulars	No of shares	In Rupees			
Balance as at 1 April 2018	30,77,500	307,75,000			
Changes in equity share capital during 2018-19					
Balance as at 31 March 2019	30,77,500	307,75,000			
Balance as at 1 April 2019	30,77,500	307,75,000			
Changes in equity share capital during 2019-20					
Balance as at 31 March 2020	30,77,500	307,75,000			
B. Other equity					
		<i>(Amount in Rupees)</i>			
Reserves and Surplus	Retained Earnings	Total			
Balance as at 1 April, 2018 (A)	(76,63,991)	(76,63,991)			
Additions during the year:					
Profit for the year	16,61,660	16,61,660			
Adjustment of Goodwill	-	-			
Other Comprehensive Income (net of tax)	-	-			
Total Comprehensive Income for the year 2018-19 (B)	16,61,660	16,61,660			
	-	-			
Balance at 31 March 2019 (C=A+B)	(60,02,331)	(60,02,331)			
Balance at 1 April 2019 (D)	(60,02,331)	(60,02,331)			
Additions during the year:					
Profit for the year	20,35,741	20,35,741			
Adjustment of Goodwill	-	-			
Other Comprehensive Income (net of tax)	-	-			
Total Comprehensive Income for the year 2019-20 (E)	20,35,741	20,35,741			
Transfer In/Out General Reserve	-	-			
Dividends	-	-			
Tax on dividends	-	-			
Balance as at 31 March 2020 (F=D+E)	(39,66,590)	(39,66,590)			
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> As per our report of even date attached For Luharuka & Associates Chartered Accountants Sd/- Rameshchand Jain Partner M.No. 023019 Place: Secunderabad Date :17th July 2020 </td> <td style="width: 33%; vertical-align: top; text-align: center;"> For and on behalf of the BOD of CDG Petchem Limited Sd/ Manoj Kumar Dugar Chairman & Managing Director (DIN:00352733) Deepika Sureka Company Secretary </td> <td style="width: 33%; vertical-align: top; text-align: center;"> Sd/- Rajesh Kumar Dugar Director (DIN:00730059) Abhishek K Sahal Chief Financial Officer </td> </tr> </table>			As per our report of even date attached For Luharuka & Associates Chartered Accountants Sd/- Rameshchand Jain Partner M.No. 023019 Place: Secunderabad Date :17th July 2020	For and on behalf of the BOD of CDG Petchem Limited Sd/ Manoj Kumar Dugar Chairman & Managing Director (DIN:00352733) Deepika Sureka Company Secretary	Sd/- Rajesh Kumar Dugar Director (DIN:00730059) Abhishek K Sahal Chief Financial Officer
As per our report of even date attached For Luharuka & Associates Chartered Accountants Sd/- Rameshchand Jain Partner M.No. 023019 Place: Secunderabad Date :17th July 2020	For and on behalf of the BOD of CDG Petchem Limited Sd/ Manoj Kumar Dugar Chairman & Managing Director (DIN:00352733) Deepika Sureka Company Secretary	Sd/- Rajesh Kumar Dugar Director (DIN:00730059) Abhishek K Sahal Chief Financial Officer			

CDG PETCHEM LIMITED
(Formerly Urbaknitt Fabs Limited)
Notes forming part of the Standalone Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

15. Other equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2018(A)	(76,63,991)	(76,63,991)
Additions during the year:		-
Profit for the year	16,61,660	16,61,660
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2018-19 (B)	16,61,660	16,61,660
Balance at 31 March 2019 (C=A+B)	(60,02,331)	(60,02,331)
Balance at 1 April 2019 (D)	(60,02,331)	(60,02,331)
Additions during the year:		-
Profit for the year	20,35,741	20,35,741
Adjustment of Goodwill	-	-
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2019-20 (E)	20,35,741	20,35,741
Balance as at 31 March 2020 (F=D+E)	(39,66,590)	(39,66,590)

Description of nature and purpose of reserve is as follows

Retained Earnings: Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

16. Borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Vehicle Loan from bank (against hypothecation of vehicle) (repayable in equal 60 number of instalment at an average rate of 9.61%)	2,99,257	4,57,151
Loan from Subsidiary Company	324,81,667	306,32,071
Intercorporate Loan from related Party	-	64,07,274
	327,80,924	374,96,496
Less: Current maturities of vehicle loan	1,73,745	1,57,894
Total (A-B)	326,07,179	373,38,602

17. Deferred Tax Liability (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(A)Deferred Tax (Asset)/Liability at the beginning of the year	18,35,721	17,93,675
Add/Less: Deferred Tax (Asset)/ Liability for the year, on account of depreciation	2,50,366	42,046
	20,86,087	18,35,721
Less: (B) MAT Credit Entitlement	(8,59,202)	(4,82,114)
Total (A-B)	12,26,885	13,53,606

18. Trade payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
For Goods & Services		
- Total Outstanding dues of Micro and Small Enterprises	157,98,113	-
- Total Outstanding dues Other than Micro and Small Enterprises	-	54,23,020
	157,98,113	54,23,020

19: Other Financial Liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of Vehicle Loan (repayable in equal 60 number of instalment at an average rate of 9.61%) - From Bank	1,73,745	1,57,894
Book Overdraft	-	1,25,465
	13,89,730	
Creditors for expenses		35,18,599
Creditors for Capital Goods	6,61,827	7,44,860
Statutory dues payable	56,717	1,49,932
Total	22,82,019	46,96,750
20: Other Current Liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance from Customers	75,137	79,634
Interest Payable to Subsidiary Company	28,48,791	48,44,596
Other Liabilities	29,15,991	26,50,000
Total	58,39,919	75,74,230
21: Provisions		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Expenses	1,43,910	2,77,981
Audit Fees Payable	60,000	57,000
Total	2,03,910	3,34,981
22. Current Tax Liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Income Tax	7,06,606	3,29,518
Less: Advance Tax	-	
Less: TDS Receivable	4,90,219	8,52,921
Total	2,16,387	(5,23,403)

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) Notes forming part of the Standalone Financial Statements (All amounts in Indian Rupees, unless otherwise stated)		
23. Revenue from operations		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Sales of Finished goods	355,06,034	293,75,974
Sales of Traded goods	1692,71,804	6,75,776
Sales-Others	-	3,43,578
Less: Discount	(34,33,316)	(1,84,531)
Total	2013,44,521	302,10,797
24: Other Income		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Commission	15,51,768	82,59,561
Other interest	1,67,380	4,57,791
Discount Income	1,45,395	15,23,415
Profit on sale of Asset	56,280	61,732
Interest on Income Tax Refund	25,920	
Total	19,46,743	103,02,499
25: Cost of Raw Materials and Components Consumed		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Opening Stock of raw material	43,15,821	96,71,549
Add:- Purchase of Raw Materials	222,22,586	244,56,398
Add:-Purchase of Traded Goods	1602,87,243	-
Add:- Purchase-others	-	-
(Less):- Closing Stock of Raw Material	6,92,453	43,15,821
Total	1861,33,198	298,12,126
26: (Increase)/Decrease in Inventories		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Increase/Decrease in stock of Finished Goods & Semi-finished Goods		
Inventories (at opening)		
Finished Goods	99,03,674	38,23,451
Finished Stock of Traded Goods	-	-
Work-in-Progress	60,69,349	29,93,381
Total (A)	159,73,023	68,16,833
Inventories (at close)		
Finished Goods	146,51,322	99,03,674
Finished Stock of Traded Goods	37,000	-
Work-in-Progress	37,47,429	60,69,349
Total (B)	184,35,750	159,73,023
Total (A-B)	(24,62,727)	(91,56,190)

27. Employee benefit expenses		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Salaries and Wages	48,09,325	38,36,262
Directors Remuneration	6,00,000	6,00,000
Total	54,09,325	44,36,262
28. Finance cost		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Bank Charges	4,814	15,986
Interest on car loan	37,070	51,473
Interest paid on loan from Subsidiary Company	31,65,323	35,92,813
Interest to Others	25,229	25,095
Total	32,32,437	36,85,367
29. Other expenses		
Particulars	For the Period ending 31st March, 2020	For the Period ending 31st March, 2019
Electricity and Fuel	13,81,665	15,98,136
Business, Sales Promotion and Advertisement	91,027	1,22,940
Consumables Stores and Spares Consumed	86,910	4,89,199
Professional and Consultancy Charges	278,316	231,369
Insurance	1,53,358	75,872
Repairs & Maintenance		
-Buildings	21,575	-
-Others	5,00,680	5,19,944
Printing & Stationery	1,58,458	56,363
Rates, Taxes and Duties	522	300
Audit Fees	80,000	68,500
Freight Outward	10,67,198	9,75,837
Postage Telegrams & Telephones	71,335	25,396
Annual Issuer Fees (CDSL)	3,91,302	4,08,821
Travelling Expenses	65,358	1,72,901
Rent Paid	16,08,305	17,00,400
Miscellaneous Expenses	1,88,473	7,31,837
Total	61,44,481	71,77,815

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

31 .Related Party Disclosure

(a) Name of the Related Parties and related party relationship

Enterprises owned or significantly influenced by key management personnel or their relatives:

- (i) Ayushman Merchants Private Limited
- (ii) Ayushman Solutions Private Limited
- (iii) Dugar Polymers Limited
- (iv) Defodil Dealcom Private Limited
- (v) Morbido Merchandise Private Limited
- (vi) Du-Luk Polymers Private Limited
- (vii) Basudeo Enterprises private Limited

Key Managerial Personnel

- (i) Mr. Manoj Dugar
- (ii) Mrs Renu Dugar
- (iii) Mr. Rajesh Dugar

Subsidiary Company: Morbido Merchandise Private Limited.

(b) The following transactions were carried out with related parties in the ordinary course of business during the year:

(Figures in Rupees)

Sl.No.	Nature of Transaction	Name of the Related Parties	2019-20	2018-19
1	Purchase of Goods	Ayushman Merchants Private Limited	35,400/-	4,56,043/-
		Dugar Polymers Limited	1,93,47,034/-	28,49,119/-
		Du-Luk Polymers Private Limited	1,96,066/-	2,75,408/-
		Morbido Merchandise Private Limited	29,95,018/-	-
		Total	2,25,73,518/-	35,80,570/-
2	Sale of Goods	Ayushman Merchants Private Limited	60,08,323/-	13,41,937/-
		Du-Luk Polymers Private Limited	-	1,26,651/-
		Dugar Polymers Limited	26,86,211/-	78,03,919/-
		Morbido Merchandise Private Limited	98,31,906/-	-
		Total	1,85,26,440/-	92,72,507/-
3	Investments	Morbido Merchandise Private Limited (Purchase of 300 Shares)	-	22,963/-
		Total		22,963/-
4	Remuneration	Manoj Dugar	6,00,000/-	6,00,000/-
		Total	6,00,000/-	6,00,000/-
5	Interest Payable	Morbido Merchandise Private Limited	31,65,323/-	35,92,813/-
		Defodil Dealcom Private Limited	18,017/-	23,996/-
		Total	31,83,340/-	36,16,810/-

Nature of Transaction	Name of the Related Parties	2019-20	2018-19
Advance given/ (taken)	Morbido Merchandise Private Limited		
	Opening Balance (incl interest payable)	3,54,76,666/-	3,36,77,868/-
	Add: Given/(taken)during the year	33,99,968/-	1,68,65,268/-
	Less: Repaid During the year	(67,11,500)/-	1,83,00,000/-
	Add: Interest payable/ (receivable)	31,65,323/-	32,33,530/-
	Closing balance	3,53,30,457/-	3,54,76,666/-
	Defodil Dealcom Private Limited		
	Opening Balance	64,07,274/-	64,17,445/-
	Add: Given/(taken)during the year		
	Add: Interest payable/ (receivable)	16,216/-	21,599/-
	Less: Repaid During the year	(64,23,490)/-	31,770
	Closing balance	-	64,07,274/-

32. Disclosure required under Section 186(4) of the Companies Act 2013

Disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013 is disclosed in note no: 31

33. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

34. Earnings Per Share (EPS)

(Figures in Rupees)

Particulars	2019-20	2018-19
Profit/(loss) after Tax	20,35,741/-	16,61,660/-
Profit/ (loss) after Tax available for equity share holders - For Basic Diluted EPS	20,35,741/-	16,61,660/-
Weighted Average No. Of Equity Shares For Basic/Diluted EPS (No.s)	30,77,500	30,77,500
Nominal Value of Equity Shares	10/-	10/-
Basic/Diluted Earnings Per Equity Share	0.66	0.54

35. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As at 31-03-2020	As at 31-03-2019
	Rupees	Rupees
Contingent Liabilities	-	-
Commitments:		
Guarantees issued by banks	-	-

36. Segment Reporting:

The Company has primary business of trading and manufacturing of knitted products and chemicals, which as per Indian Accounting Standard – 108 on ‘Operating Segments’ is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

37. Financial risk management objectives and policies

The Company’s principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company’s operations. The Company’s principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company’s credit risk in this respect.
- Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2020 and 2019 is the carrying amounts.

C. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Figures in Rupees)

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-20					
Borrowings	-	1,73,745/-	3,26,07,179/-		3,27,80,924/-
	-	1,73,745/-	3,26,07,179/-		3,27,80,924/-
31-Mar-19					
Borrowings	-	1,57,894/-	3,73,38,602/-	-	3,74,96,496/-
	-	1,57,894/-	3,73,38,602/-	-	3,74,96,496/-

38. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Figures in Rupees

Particulars	31 Mar 2020	31 Mar 2019
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note 19	3,27,80,924/-	3,74,96,496/-
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 20, 21, 22 & 24	2,41,66,603/-	173,47,684/-
Less Cash and Cash Equivalents	2,31,383/-	3,20,686/-
Net Debt	5,71,78,910/-	5,51,64,866/-
Equity Share capital	3,07,75,000/-	3,07,75,000/-
Other Equity	(39,66,590)/-	(60,02,331)/-
Total Capital	2,68,08,410/-	2,47,72,669/-
Capital and Net debt	8,39,87,320/-	7,99,37,535/-
Gearing ratio (in %)	68.08	69.01

39. Impact of COVID-19: The outbreak of novel Coronavirus (COVID-19). Pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID – 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.

40. The management has considered the possible effects, if any, that made result from the pandemic relating to COVID-19 on the carrying amount of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainty as at the balance sheet date in relation to the recoverable amount of these assets. The management has considered the global economic conditions prevailing as that the date of approval of these financial results and has used internal and external source of information to the extent determined by it. The actual outcome of these assumptions and estimate may vary in future due to the impact of the pandemic.

41. The company's unit which has to suspend operations temporarily due to government directives relating to COVID-19, have since resume partial operations, as per the Guidelines and norms prescribed by the government authorities.

Previous year's figures have been regrouped and rearranged, wherever found necessary.

**For Luharuka & Associates
Chartered Accountants**

Sd/
Rameshchand Jain
Partner
M.No.023019
Firm Reg NO.01882S

Date: 17th July 2020

**For & On Behalf of the Board of Directors
of CDG PETCHEM LIMITED
(formerly known as Urbaknitt Fabs Limited)**

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN:00352733

Sd/-
Deepika Sureka
Company Secretary

Sd/-
Rajesh Kumar Dugar
Director
DIN:00730059

Sd/-
Abhishek Kumar Sahal
Chief Financial Officer

Independent Auditors’ Report on Consolidated Financial Statements
 To the Members of **CDG PETCHEM LIMITED** (Formerly **Urbaknitt Fabs Limited**)
Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **CDG PETCHEM LIMITED** (Formerly **Urbaknitt Fabs Limited**) (herein after referred to as “The Holding Company”) and one of its subsidiary **MORBIDO MERCHANDISE PRIVATE LIMITED** (collectively referred to as “the Group”), comprising of the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement , the consolidated statement of change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit including other comprehensive Income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis For Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the ‘Auditor’s Responsibility for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group, in accordance with ethical requirement that are relevant to our audit of consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants and are relevant provision of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. *We draw our attention to Note 44* of the consolidated financial statements, as regards to the management evaluation of COVID – 19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our Audit of Consolidated Financial Statements of the current period. These matters were addressed in the context of our Audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Physical Inventory Verification	Principal Audit Procedures
<p>The auditor’s responsibility is to ascertain whether the management has satisfactory procedures for physical verification of inventories, so that in the normal circumstances the programme of physical verification will cover all material items of inventories at least once during the year.</p> <p>Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories of stores and spares could not be completed.</p> <p>As per relevant Guidance Note, Auditors are advised to witness implementation of physical verification programme; however, due to the unfavourable circumstances our presence was not possible.</p>	<p>Our audit procedures included but are not limited to detailed written confirmations of inventories held by the stores in-charge of different locations. We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current year purchases present in closing stock and have verified there Goods Receipt Notes and subsequent payments made by the company. We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the gross profit ratio for the previous year; comparison of significant ratios relating to inventories with the similar ratios for other company in the same industry.</p>

We have determined that there are no other key audit matters to communicate in our report.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated financial statements and our auditor's report thereon.
6. Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility and those charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating 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.
10. The respective Board of Directors of the companies included in the group are responsible for overseeing the company's financial reporting process of the Group.

Auditors Responsibilities for the audit of Consolidated Financial Statements

17. Our objectives are to obtain reasonable assurance about whether the Consolidated 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 consolidated financial statements.
18. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated 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 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.
 - Obtain an understanding of internal financial controls 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in annual consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable user of Annual consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in Annual Consolidated Financial Statements.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Report on Other Legal and Regulatory Requirements

16. As required by section 143(3) of the Act, we report, to the extent applicable that:
 - i. 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 of aforesaid consolidated financial statements.
 - j. In our opinion proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the group company.
 - k. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account and records maintained for the purpose of preparation of consolidated financial statements.
 - l. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - m. On the basis of written representations received from the directors of Holding Company as on March 31, 2020, and taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of subsidiary company, incorporated in India, none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2020, from being appointed as a directors in terms of Section 164(2) of the Act.
 - n. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report

in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- o. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- p. With respect to 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:
 - (iv) The consolidated financial statements disclose the impact, if any, of *pending litigations* on the consolidated financial position of the Group, to the consolidated financial statements
 - (v) The Group did not have any long-term contracts including derivative contracts as at March 31, 2020; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (vi) There has been no delaying in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its Subsidiary Company, incorporated in India.

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S
Sd/-
Rameshchand Jain
(Partner) Membership No.023019
UDIN: 20023019AAAACM1443
Place: Secunderabad
Date: 17th July 2020

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of **CDG PETCHEM LIMITED** ("the Holding Company") and one of its subsidiary company, **MORBIDO MERCHANDISE PRIVATE LIMITED** (together referred to as "the Group"), which are company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing 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 issued by the Institute of 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.

Auditors' Responsibility

3. 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain 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.
4. 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 financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the 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 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

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, 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 31 March 2020, 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 issued by the ICAI.

**For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S**

**Sd/
Rameshchand Jain
(Partner) Membership No.023019
UDIN: 20023019AAAACM1443
Place: Secunderabad
Date: 17th July 2020**

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) CIN: L51100TG2011PLC072532 Consolidated Statement of Assets and Liabilities as on 31st March 2020			
ASSETS		As at March 31, 2020	As at March 31, 2019
Non-current assets			
(a) Property, plant and equipment	5	307,47,859	330,92,749
(b) Financial Assets			
- Deposits	6	10,76,257	12,59,257
(c) Other non-current assets	7	47,05,800	47,05,800
		365,29,916	390,57,806
Current assets			
(a) Inventories	8	377,08,310	321,02,260
(b) Financial assets			
- Trade receivables	9	1915,51,549	1557,25,480
- Cash and cash equivalents	10	8,23,855	9,94,277
- Others financial assets	11	86,87,383	124,31,821
(c) Other current assets	12	83,47,886	81,63,841
		2471,18,984	2094,17,679
			-
Total assets		2836,48,900	2484,75,485
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	307,75,000	307,75,000
(b) Other Equity	14	140,90,845	59,66,349
Equity attributable to owners		448,65,845	367,41,349
Non-controlling interest	15	-	-
Sub - Total Equity		448,65,845	367,41,349
LIABILITIES			
Non Current Liabilities			
(a) Financial liabilities			
- Borrowings	16	546,43,090	161,48,458
(b) Financial liabilities			
- Deferred tax liability (net)	17	13,47,355	14,55,353
Current liabilities			
(a) Current Borrowings	18	670,07,146	91,19,596
- Trade Payables	19	780,00,912	1754,46,605
- Other financial liabilities	20	36,69,427	64,93,952
(b) Other current liabilities	21	332,94,452	27,35,534
(c) Provisions	22	5,12,160	3,97,320
(d) Current tax Liabilities	23	3,08,513	(62,685)
		2387,83,055	2117,34,133
Total liabilities		2387,83,055	2117,34,133
Total equity and liabilities		2836,48,899	2484,75,484
Significant accounting policies and key accounting estimates and judgements	1 to 4		
See accompanying notes form an integral part of Standalone Financial Statements	31 to 46		
AS PER OUR REPORT OF EVEN DATE ATTACHED			
For LUHARUKA & ASSOCIATES,		For CDG PETCHEM LTDF	
Chartered Accountants		Formerly Known as Urbaknitt Fabs Limited	
FR NO.01882S			
Sd/-		Sd/-	Sd/-
(RAMESHCHAND JAIN)		Manoj Kumar Dugar	Rajesh Kumar Dugar
Partner		Managing Director & Chairman	Director
Place: Secunderabad		Deepika Sureka, CS	Abhishek Kumar Sahal, CFO

CDG PETCHEM LIMITED

(Formerly Urbaknitt Fabs Limited)

CIN: L51100TG2011PLC072532

Consolidated Statement of Profit and Loss for the Period Ended 31 March, 2020

(in Rupees)

Particulars	Note	For the period ending March 31, 2020	For the period ending March 31, 2019
I Income			
Revenue from operations	24	8939,54,859	6706,68,154
Other Income	25	125,52,179	131,47,680
Total Revenue		9065,07,038	6838,15,834
II Expenses			
Cost of Raw Materials and Components Consumed	26	8643,97,467	6286,92,810
(Increase)/Decrease in Inventories	27	-92,29,418	33,01,442
Employee benefits expense	28	93,42,666	83,77,933
Finance costs	29	128,93,102	149,73,178
Depreciation & Amortisation Expense	5	29,56,201	31,80,691
Other expenses	30	155,20,467	162,32,602
Total expenses		8958,80,484	6747,58,656
III Profit before tax (I-II)		106,26,554	90,57,178
IV Tax expense:			
Current Tax		25,85,746	22,49,518
Deferred Tax		2,69,090	57,233
Tax pertaining to earlier years		24,312	84,257
MAT Credit Entitlement		3,77,088	3,29,518
Total Tax Expense		25,02,060	20,61,490
V Profit /(Loss) for the period from continuing operation (III-IV)		81,24,493	69,95,688
VI Profit /(Loss) for the period from discontinuing operation			-
VII Tax Expense of discontinuing operation			-
VIII Profit /(Loss) for the period from discontinuing operation after tax (VI-VII)			-
IX Profit /(Loss) for the period after tax (V+VIII)		81,24,493	69,95,688
X Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			-
B Items that will be reclassified to profit or loss			-
Other Comprehensive Income for the year, net of tax (A+B)			-
XI Total Other Comprehensive Income for the year (IX+X)		81,24,493	69,95,688
XII Total Comprehensive Income for the year attributable to:		81,24,493	69,95,688
-Owners of the company		81,24,493	69,95,688
-Non-controlling interest		-	-
XIV EARNINGS PER EQUITY SHARE (Face value Rs.10/- each)			
Basic and Diluted		2.64	2.27

Significant accounting policies and key accounting estimates and judgements

1 to 4

See accompanying notes form an integral part of Consolidated Financial Statements.

31 to 46

AS PER OUR REPORT OF EVEN DATE ATTACHED

**For LUHARUKA & ASSOCIATES
CHARTERED ACCOUNTANTS**

(FRN - 018825)

(RAMESHCHAND JAIN)

Partner

M.No. 023019

Place: Secunderabad

Date: 17th July 2020

For CDG PETCHEM LIMITED

(Formerly Known as Urbaknitt Fabs Limited)

Manoj Kumar Dugar

Managing Director & Chairman

(DIN:00352733)

Deepika Sureka

Company Secretary

Rajesh Kumar Dugar

Director

(DIN 00730059)

Abhisek Kumar Sahal

Chief Financial Officer

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) CIN: L51100TG2011PLC072532 Consolidated Cashflow Statement for the Year ended 31st March, 2020		
PARTICULARS	Period Ended 31st March 2020	Period Ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax	106,26,554	90,57,180
Adjustments for Non-Operating Activities:		
Depreciation	29,56,201	31,80,691
Loss/ (Profit) on Sale of Assets	(56,280.00)	(61,732)
Finance Cost (Including Preference dividend)	128,93,102	149,73,178
Interest Received	(92,55,598)	(40,08,667)
	65,37,425	140,83,470
Operating Profit before Working Capital Changes	171,63,978	231,40,650
Adjustments for Working Capital Changes:		
Inventories	(56,06,050)	86,57,170
Trade Receivables	(358,26,069)	(388,79,685)
Other financial Assets	37,44,438	-
Other Assets	(1,84,045)	(12,78,053)
Provisions	1,14,840	5,033
Trade Payables	(974,45,693)	441,29,692
Other financial liabilities	(28,24,525)	(14,14,044)
Other Liabilities	305,58,918	(8,91,051)
Current Borrowings	578,87,549	
Other non current assets	1,83,000	
Cash Generation From Operations	(493,97,638)	103,29,062
Direct Taxes Paid (Net)	(22,38,860)	(26,87,740)
Net Cash from Operating Activities	(344,72,520)	307,81,972
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets (including capital work in progress)	(9,55,033)	(29,13,458)
Proceeds from Sale of Fixed Assets	4,00,000	45,06,356
Interest Received	92,55,598	40,08,667
Net Cash from Investing Activities	87,00,565	56,01,565
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(128,93,102)	(149,73,178)
Repayment of Borrowings		-
Long Term Borrowings from Others	384,94,632	(220,89,186)
Net Cash from Financing Activities	256,01,530	(370,62,364)
Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	(1,70,423)	(6,78,830)
Cash and Cash Equivalent (Opening)	9,94,277	16,73,108
Cash and Cash Equivalent (Closing)	8,23,854	9,94,278
AS PER OUR REPORT OF EVEN DATE ATTACHED		
For LUHARUKA & ASSOCIATES CHARTERED ACCOUNTANTS	For CDG PETCHEM LIMITED (Formerly Known as Urbaknitt Fabs Limited)	
FRN - 01882S)		
Sd/-	Sd/-	Sd/-
(RAMESHCHAND JAIN)	Manoj Kumar Dugar Managing Director & Chairman	Rajesh C Dugar
Partner		Director
M.No. 023019	(DIN:00352733)	(DIN 00730059)
Place: Secunderabad	Deepika Sureka	Abhisek Kumar Sahal
Date: 17th July 2020	Company Secretary	Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1. Corporate Information

CDG PETCHEM LIMITED (Formerly known as Urbaknitt Fabs Limited) (“the company”) is a Company registered under the companies act, 1956. It is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE). It was incorporated on 7th February, 2011 having its registered office at Plot no 10 & 11, MCH No 1-8-304 to 307/10, Pattigadda Road Hyderabad TG 500003. The company’s CIN No. is . L51100TG2011PLC072532. The company is engaged in the manufacture of Knitted Fabrics, Mattresses and Pillows; along with Trading & Distribution of Minerals, Plasticizers, Construction chemicals and plastic Raw Materials.

2. Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

3. Basis of Consolidation

The consolidated Ind AS financial statements comprise of the M/S CDG PETCHEM LIMITED (Formerly as Urbaknitt Fabs Limited) and its tone subsidiary company namely, M/S Morbido Merchandise Private Limited (referred to as “the company”) as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: The contractual arrangement with the other vote holders of the investee; Rights arising from other contractual arrangements; The Group’s voting rights and potential voting rights, and the size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2020.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it: Derecognizes the assets (including goodwill) and liabilities of the subsidiary; Derecognizes the carrying amount of any non-controlling interests; Derecognizes the cumulative translation differences recorded in equity; Recognizes the fair value of the consideration received; Recognizes the fair value of any investment retained; Recognizes any surplus or deficit in profit or loss, and Reclassifies the parent’s share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

4. Use of estimates and judgments:

Use of estimates and judgments: The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

5. Significant Accounting Policies:

(a) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

(b) Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company.

Other income:

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

(e) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

(f) Depreciation and amortization:

Depreciation is provided on the straight-line method over the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

(g) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: -

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.

(h) Financial assets

Financial assets comprise of cash and cash equivalents.

(i) Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset 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 that the company commits to purchase or sell the assets.

(j) Subsequent Measurement:

Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

(k) The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

(l) Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

(m) De-recognition of Financial Assets:

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(n) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(o) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost. A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability.

(p) Subsequent measurement:

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

(q) De-recognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

(s) Employee Benefits

Employee benefits are charged to the Statement of Profit and Loss for the year.

(t) Provident Fund

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognised, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

(u) Gratuity

The Company has not created any gratuity fund. However adequate provisions have been made in the accounts for gratuity liability. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(v) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

(w) Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(x) Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

(y) Leases

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

(z) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

(aa) Fair value measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(bb) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted

earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(cc) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

CDG PETCHEM LIMITED							
(Formerly Urbaknitt Fabs Limitec							
Note : 5 Consolidated Statement of Property, Plant and Equipment							<i>(Amount in Rupees)</i>
Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2020							

Particulars	Plant & Machinery	Computer	Electrical Installation	Furniture & Fixtures	Vehicles	Office Equipment	Grand Total
Gross carrying Value as of April 01, 2018	271,85,306	3,85,977	57,23,258	5,43,057	44,34,069	8,34,347	391,06,015
Additions	25,46,150	-	1,46,998	-	-	2,20,310	29,13,458
Deletions	48,06,572	47,250	-	-	-	1,50,000	50,03,822
Gross carrying Value as at March 31, 2019	249,24,884	3,38,727	58,70,256	5,43,057	44,34,069	9,04,657	370,15,651
Accumulated depreciation as at April 01, 2018	3,20,289	1,10,794	2,77,775	36,890	3,66,349	1,39,654	13,01,410
Depreciation	18,53,463	1,21,416	5,68,338	51,590	4,18,868	1,67,015	31,80,691
Accumulated depreciation on disposals	4,77,085	32,453	-	-	-	49,660	5,59,198
Accumulated depreciation as at March 31, 2019	16,96,667	1,99,757	8,46,113	88,480	7,85,217	2,57,010	39,22,902
Net Carrying Value as at March 31, 2019	231,78,558	1,38,970	50,24,144	4,54,577	36,48,852	6,47,648	330,92,749

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2020							
Particulars	Plant & Machinery	Computer	Electrical Installation	Furniture & Fixtures	Vehicles	Office Equipment	Grand Total
Gross carrying Value as at April 01, 2019	249,24,884	3,38,727	58,70,256	5,43,057	44,34,069	9,04,657	370,15,651
Additions	2,84,000	-	-	-	5,56,971	1,14,062	9,55,033
Disposals	4,00,000	-	-	-	-	-	4,00,000
Gross carrying Value as at March 31, 2020	248,08,884	3,38,727	58,70,256	5,43,057	49,91,040	10,18,719	375,70,684
Accumulated depreciation as at April 01, 2019	16,96,667	1,99,757	8,46,113	88,480	7,85,217	3,06,670	39,22,904
Depreciation	16,19,057	78,510	5,57,674	51,590	4,62,938	1,86,432	29,56,201
Accumulated depreciation on disposals	56,280	-	-	-	-	-	56,280
Accumulated depreciation as at March 31, 2020	32,59,444	2,78,267	14,03,787	1,40,070	12,48,155	4,93,102	68,22,825
Net Carrying Value as at March 31, 2020	215,49,440	60,460	44,66,470	4,02,987	37,42,885	5,25,617	307,47,859

CDG PETCHEM LIMITED (CONSOLIDATED)

(Formerly Urbaknitt Fabs Limited)

Notes forming part of the Consolidated Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

6 Deposits

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good)		
Rent Deposit	4,75,100	6,58,100
Water Deposit	1,600	1,600
Electricity Deposit	3,75,000	3,75,000
Other Deposit	2,24,557	2,24,557
Total	10,76,257	12,59,257

7 Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good)		
Capital Advances	47,05,800	47,05,800
Total	47,05,800	47,05,800

8 Inventory

Particulars	As at March 31, 2020	As at March 31, 2019
(As valued and certified by management)		
Finished Goods	146,51,322	99,03,674
Finished Stock of Traded Goods	37,000	-
Work-in-Progress/at job work	37,47,429	60,69,349
Stock of Raw Material	6,92,453	43,15,821
Stock In Trade	185,80,107	118,13,416
Total	377,08,310	321,02,260

9 Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Considered Good	1915,51,549	1557,25,480
Considered Doubtful	-	-
Total (A)	1915,51,549	1557,25,480
Less : Provision for doubtful debts & Advances (B)	-	-
Total (A-B)	1915,51,549	1557,25,480

10 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in Hand	5,33,907	4,76,349
In Current Accounts	2,89,948	5,17,928
Total	8,23,855	9,94,277

11 Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good)		
Advance to Suppliers	75,74,736	-
Advance for raw material	86,134	115,69,168
Other Advances	4,66,569	3,34,240
Commission Receivable	5,59,944	5,28,413
Total	86,87,383	124,31,821

12 Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good)		
Balances with Government Authorities	83,47,886	81,44,923
Interest Receivable from TSSPDCL	-	18,918
Total	83,47,886	81,63,841

CDG PETCHEM LIMITED (Formerly Urbaknitt Fabs Limited) Notes forming part of the Consolidated Financial Statements (All amounts in Indian Rupees, unless otherwise stated)				
13 . Equity Share Capital				
Particulars	As at March 31st, 2020		As at March 31st, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorized Capital				
50,00,000 equity shares of Rs. 10/- each	50,00,000	500,00,000	50,00,000	500,00,000
Issued, Subscribed and Paid-up Capital				
30,77,500 equity shares of Rs. 10/- each fully paid up	30,77,500	307,75,000	30,77,500	307,75,000
a) Terms / rights attached to Equity Shares				
<p>The Company has only one class of issued equity shares having a par value of Rs.10/- per share. Each shareholder is entitled to one vote per charge in the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>				
b) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting year:				
Particulars	As at March 31st, 2020		As at March 31st, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares of Rs.10/- each fully paid up				
Shares outstanding at the beginning of the year	30,77,500	307,75,000	30,77,500	307,75,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,77,500	307,75,000	30,77,500	307,75,000
c) Details of shareholders holding more than 5% shares in the Company				
Name of the shareholder	As at March 2020		As at March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Tara Devi Dugar	3,69,325	12.00%	3,69,325	12.00%
Renu R Dugar	3,00,362	9.76%	3,00,362	9.76%
Balram Chainrai & Anita Chainrai Advani	2,94,000	9.55%	2,94,000	9.55%
Rajesh Kumar Dugar	2,76,975	9.00%	2,76,975	9.00%
Manoj Kumar Dugar	2,56,525	8.34%	2,56,525	8.34%
Divay Dugar	2,46,255	8.00%	2,46,255	8.00%
Chirag Dugar	2,46,250	8.00%	2,46,250	8.00%
Renu M Dugar	2,15,360	7.00%	2,15,360	7.00%
Total	22,05,052		22,05,052	
<p>The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.</p>				

CDG PETCHEM LIMITED

(Formerly Urbaknitt Fabs Limited)

Notes forming part of the Consolidated Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

14 Other Equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2018 (A)	(10,29,474)	(10,29,474)
Additions during the year:		-
Profit for the year	69,95,690	69,95,690
Adjustment for Acquisition of Minority Shares	135	135
Other Comprehensive Income (net of tax)		
Total Comprehensive Income for the year 2018-19 (B)	69,95,825	69,95,825
Transfer In/Out General Reserve		
Balance at 31 March 2019 (C=A+B)	59,66,351	59,66,351
Balance at 1 April 2019 (D)	59,66,351	59,66,351
Additions during the year:		
Profit for the year	81,24,493	81,24,493
Adjustment of Goodwill		-
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2019-20 (E)	81,24,493	81,24,493
Transfer In/Out General Reserve	-	-
Dividends	-	-
Tax on dividends	-	-
Balance as at 31 March 2020 (F=D+E)	140,90,845	140,90,845

Description of nature and purpose of reserve is as follows

15 Non- controlling interest

Particulars	As at March 31, 2020	As at March 31, 2019
Minority Interest		
-Share of Capital	-	3,000
opening profit	-	20,099
-Share of Current Year's Profit	-	-
Adjustment for acquisition of Minority Shares		(23,099)
Total	-	-

16 Non - Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Vehicle Loan from bank (against hypothecation of vehicle)	18,18,527	22,17,223
(repayable in equal 60 number of instalment at an average rate of 9.61%)		
Loan from Others	537,21,888	145,68,060
Total (A)	555,40,415	167,85,283
(B) Less: Current maturities of vehicle loan	8,97,324	6,36,825
Total (A-B)	546,43,090	161,48,458

17 Deferred tax liability (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Deferred tax liability		
Opening Balance	19,37,467	86,560
Add: Deferred tax for the year	2,69,090	18,50,907
	22,06,557	19,37,467
(B) MAT Credit Entitlement	(8,59,202)	(4,82,114)
Total (A-B)	13,47,355	14,55,353

18 Current Borrowings		
Particulars	As at March 31, 2020	As at March 31, 2019
Cash Credit From bank	575,89,142	-
Intercompany loan from others	94,18,003	91,19,596
Total	670,07,146	91,19,596
Cash credit from Scheduled Banks is secured by hypothecation of stock, trade receivables and first pari-passu charge on specific fixed assets of the company.		
19 Trade payables		
Particulars	As at March 31, 2020	As at March 31, 2019
For Goods & Services	-	-
- Total Outstanding dues of Micro and Small Enterprises	780,00,912	1754,46,605
- Total Outstanding dues Other than Micro and Small Enterprises		
Total	780,00,912	1754,46,605
20 Other Current Financial Liabilities		
Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Vehicle Loan		
- From Bank	8,97,324	6,36,825
Book overdraft	-	1,25,465
Statutory Remittances	1,69,088	3,72,806
Creditors for expenses	19,41,188	46,13,996
Creditors for Capital Goods	6,61,827	7,44,860
Total	36,69,427	64,93,952
21 Other Current Liabilities		
Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customers	302,78,461	79,634
Other Liabilities	29,15,991	25,98,900
Audit Fees Payable	1,00,000	57,000
Total	332,94,452	27,35,534
22 Provisions		
Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits	3,68,250	3,97,320
Provision for Expenses	1,43,910	-
Total	5,12,160	3,97,320
23 Current Tax Liabilities (Net)		
Particulars	As at 31st March 2020	As at March 31, 2019
Provision for Income Tax	29,15,264	22,49,518
Less: Advance Tax	(18,00,000)	(11,00,000)
Less: TDS Receivable	(8,06,751)	(12,12,203)
Total	3,08,513	(62,685)

CDG PETCHEM LIMITED
(Formerly Urbaknitt Fabs Limited)
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

24 Revenue from operations

Particulars	For the period ending March 31, 2020	For the period ending March 31,2019
Sales of Finished goods	7315,83,022	6718,15,111
Sales of Traded goods	1692,71,804	6,75,776
Sales-Others	-	3,43,578
Less: Trade Discount	(68,99,966)	(21,66,311)
Total	8939,54,859	6706,68,154

25 Other Income

Particulars	For the period ending March 31, 2020	For the period ending March 31,2019
Commission	27,14,944	86,68,933
Interest Received	92,55,598	40,08,667
Discount Income	1,45,395	-
Foreign Exchange Gain (Net)	3,79,962	4,08,348
Profit on sale of Asset	56,280	61,732
Total	125,52,179	131,47,680

26 Cost of Raw Materials and Components Consumed

Particulars	For the period ending March 31, 2020	For the period ending March 31,2019
Opening Stock	43,15,821	96,71,549
Add:- Purchase of Raw Materials	7004,86,856	6233,37,082
Add:- Purchase of Traded Goods	1602,87,243	-
Add:- Purchase-others	-	-
Less:- Closing Stock of Raw Material	6,92,453	43,15,821
Total	8643,97,467	6286,92,810

27 (Increase)/Decrease in Inventories

Particulars	For the period ending March 31, 2020	For the period ending March 31,2019
Increase/Decrease in stock of Finished Goods & Semi-finished Goods		
Inventories (at opening)		
Finished Goods	217,17,090	280,94,500
Finished Stock of Traded Goods		
Work-in-Progress	60,69,349	29,93,381
Scrap/Wastage		
Total (A)	277,86,439	310,87,881
Inventories (at close)		
Finished Goods	332,31,429	99,03,674
Finished Stock of Traded Goods	37,000	
Work-in-Progress/at job work	37,47,429	60,69,349
Stock in Trade	-	118,13,416
Total (B)	370,15,858	277,86,439
Total (A-B)	(92,29,418)	33,01,442

28 Employee benefit expenses

Particulars	For the period ending March 31, 2020	For the period ending March 31,2019
Salaries and Wages	61,42,666	50,77,933
Directors Remuneration	32,00,000	33,00,000
Total	93,42,666	83,77,933

29 Finance cost

Particulars	For the period ending March 31, 2020	For the period ending March 31,2019
Bank Charges	30,737	54,777
Financial Charges	5,37,800	
Interest on car loan	1,78,606	51,473
Interest to Others	96,77,520	148,66,928
Interest on Cash Credit	24,68,439	
Total	128,93,102	149,73,178

30 Other expenses		
Particulars	For the period ending March 31,2020	For the period ending March 31,2019
Electricity and Fuel	13,81,665	15,98,136
Business, Sales Promotion and Advertisement	29,90,294	4,20,652
Consumables Stores and Spares Consumed	86,910	4,89,199
Professional and Consultancy Charges	4,62,316	2,31,369
Insurance	12,84,308	18,95,165
Repairs & Maintenance		
-Buildings	21,575	
-Others	5,00,680	5,37,217
Printing & Stationery	1,87,616	2,75,689
Rates, Taxes and Duties	1,63,569	34,16,463
Inward Carriage	19,08,621	700
Freight Outward	10,67,198	17,76,257
Postage Telegrams & Telephones	83,765	56,956
Annual Issuer Fees (CDSL)	3,91,302	4,08,821
Subscription Fees	4,000	
Audit fees	1,20,000	1,28,500
Donations	24,900	10,000
Sundry Balance Written off	2,60,292	
Foreign exchange fluctuation	-	
Travelling Expenses	13,00,567	10,85,000
Telephone Expenses	31,942	-
Rent Paid	29,04,905	29,83,800
Miscellaneous Expenses	3,44,042	9,18,678
Total	155,20,467	162,32,602

CDG PETCHEM LIMITED
(Formerly Urbaknitt Fabs Limited)
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

31 Financial Instruments by Category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximates of fair values:

Particulars	Carrying value		Fair value	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
(i) Deposits	10,76,257	12,59,257	10,76,257	12,59,257
(ii) Other non-current assets	47,05,800	47,05,800	47,05,800	47,05,800
Total Financial Assets	57,82,057	59,65,057	57,82,057	59,65,057
(i) Borrowings	546,43,090	161,48,458	546,43,090	161,48,458
Total Financial Liabilities	546,43,090	161,48,458	546,43,090	161,48,458

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes Forming part of Consolidated Financial Statements

32 .Related Party Disclosure

(a) Name of the Related Parties and related party relationship

Enterprises owned or significantly influenced by key management personnel or their relatives:

- (viii) M/s. Ayushman Merchants Private Limited
- (ix) M/s. Ayushman Solutions Private Limited
- (x) M/s. Dugar Polymers Limited
- (xi) Defodil Dealcom Private Limited
- (xii) Morbido Merchandise Private Limited
- (xiii) Du-Luk Polymers Private Limited

Key Managerial Personnel

- (iii) Mr. Manoj Dugar
- (iv) Mr. Chirag Dugar.
- (v) Mrs. Renu M Dugar
- (vi) Mr. Rajesh Dugar

(b) The following transactions were carried out with related parties in the ordinary course of business during the year:

Figures in Rupees

Sl.No.	Nature of Transaction	Name of the Related Parties	2019-20	2018-19
1	Purchase of Goods	Ayushman Merchants Private Limited	25,91,427 /-	49,44,967/-
		Dugar Polymers Limited	1,93,47,034/-	28,49,119/-
		Du-Luk Polymers Private Limited	1,96,066/-	2,75,408/-
		Total	2,21,34,527/-	80,69,494/-
	Sale of Goods	Ayushman Merchants Private Limited	44,91,30,563/-	39,21,27,564/-
		Du-Luk Polymers Private Limited	-	1,26,651/-
		Dugar Polymers Limited	27,94,771/-	78,03,919/-
		Total	45,19,25,334/-	40,00,58,134/-
3	Investments	Morbido Merchandise Private Limited	-	22,963/-
		Total	-	22,963/-
4	Remuneration	Mr. Manoj Dugar	18,00,000/-	18,00,000/-
		Mr. Chirag Dugar	12,00,000/-	9,00,000/-
		Renu M Dugar	2,00,000/-	
		Total	32,00,000/-	27,00,000/-
5.	Advance for goods	Ayushman Merchants Private Limited	3,02,03,324/-	-
6.	Interest Payable	Defodil Dealcom Private Limited	4,35,410/-	23,996/-
		Ayushman Merchants Private Limited	82,14,897/-	

Nature of Transaction	Name of the Related Parties	2019-20	2018-19
Advance given/Taken	Ayushman Merchants Private Limited		
	Opening Balance	13,72,85,452/-	1,88,23,896/-
	Add: Given/(taken)during the year		
		18,76,01,594/-	20,64,59,100/-
	Less: Repaid During the year	(27,91,02,028)/-	9,30,11,830/-
	Add: Interest payable/ (receivable)	73,93,408/-	50,14,286/-
	Closing balance	5,31,78,426/-	13,72,85,452/-
	Defodil Dealcom Private Limited		
	Opening Balance	1,45,68,060/-	3,93,03,265/-
	Add: Given/(taken)during the year	2,58,00,000/-	1,39,50,000/-
	Less: Repaid During the year	(4,02,16,467)/-	(4,21,07,066)/-
	Add: Interest payable/ (receivable)	3,91,888/-	34,22,261/-
	Closing balance	5,43,481/-	1,45,68,060/-

33. Disclosure required under Section 186(4) of the Companies Act 2013

Disclosure pursuant to Securities Exchange Board Of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of the Companies Act 2013 is disclosed in note no: 32.

34. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

35. Earnings Per Share (EPS)

Figures in Rupees

Particulars	2019-20	2018-19
Net Profit after Tax	81,24,494/-	69,95,690/-
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	81,24,494/-	69,95,690/-
Weighted Average No. Of Equity Shares For Basic/Diluted EPS (No.s)	30,77,500	30,77,500
Nominal Value of Equity Shares	10	10
Basic/Diluted Earnings Per Equity Share	2.64	2.27

36. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As at 31-03-2020	As at 31-03-2019
	Rupees	Rupees
Contingent Liabilities	-	-
Commitments:		
Guarantees issued by banks	-	-

37. CIF Value of Imports

Particulars	2019-20	2018-19
Raw material / Traded Goods	11,85,78,025/-	16,21,38,614/-
TOTAL	11,85,78,025/-	16,21,38,614/-

38. Earnings in Foreign Currency

Particulars	2019-20		2018-19	
	USD	INR	USD	INR
Export Sales	-	-	-	-
Commission Earned		11,63,167/-		10,05,498/-
Total		11,63,167/-		10,05,498/-

39. Segment Reporting:

The Company has primary business of trading and manufacturing of knitted products and chemicals, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

40. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

D. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

E. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

F. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Figures in Rupees

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-20		5,84,86,467/-	6,40,61,094/-		12,25,47,561/-
Borrowings		5,84,86,467/-	6,40,61,094/-		12,25,47,561/-
31-Mar-19					
Borrowings	-	6,36,825/-	2,52,68,054/-		2,59,04,879/-
	-	6,36,825/-	2,52,68,054/-		2,59,04,879/-
31-Mar-18					
Borrowings	-	5,85,056/-	4,73,57,240/-		4,79,42,297/-
	-	5,85,056/-	4,73,57,240/-		4,79,42,297/-

41.

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Figures in Rupees

Particulars	31 Mar 2020	31 Mar 2019
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note 18	12,25,47,561/-	2,59,04,879/-
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 20, 21, 22 & 23	11,45,79,626/-	18,49,17,739/-
Less Cash and Cash Equivalents	8,23,855/-	9,94,277/-
Net Debt	23,63,03,332/-	20,98,28,341/-
Equity Share capital	3,07,75,000/-	3,07,75,000/-
Other Equity	1,40,90,846/-	59,66,351/-
Total Capital	4,28,65,846/-	3,67,41,351/-
Capital and Net debt	27,91,69,178	24,65,69,692/-
Gearing ratio (in %)	84.64	85.10

42. Salient features of the financial statement of subsidiaries/ associate companies

Part "A": Subsidiaries

The above mentioned Subsidiary has reporting period as same as holding company.

Name pof the Subsidiary	Morbido Merchandise Pvt Limited	
	2019-20	2018-19
1. Share Capital	10,00,000/-	10,00,000/-
2. Reserves & Surplus	1,80,77,397/-	1,19,88,644/-
3. Total Assets	23,50,16,498/-	20,40,01,659/-
4. Total Liabilities	23,50,16,498/-	20,40,01,659/-
5. Investments	-	-
6. Turnover	70,54,37,261/-	64,04,57,357 /-
7. Profit before taxation	83,40,448/-	73,44,503/-
8. Provision for taxation	22,08,658/-	19,20,000/-
9. Profit after taxation	60,88,753/-	53,34,026/-
10. Proposed Dividend	-	-
11. % of shareholding	100	100

The above mentioned Subsidiary is not a foreign subsidiary company.

PART "B" : Associates

There are no Associates

43. Impact of COVID-19: The outbreak of novel Coronavirus (COVID-19) .Pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID – 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operations of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.
44. The management has considered the possible effects, if any, that made result from the pandemic relating to COVID-19 on the carrying amount of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainty as at the balance sheet date in relation to the recoverable amount of these assets. The management has considered the global economic conditions prevailing as that the date of approval of these financial results and has used internal and external source of information to the extent determined by it. The actual outcome of these assumptions and estimate may vary in future due to the impact of the pandemic.
45. The company's unit which has to suspend operations temporarily due to government directives relating to COVID-19, have since resume partial operations, as per the Guidelines and norms prescribed by the government authorities.
46. Previous year's figures have been regrouped and rearranged, wherever found necessary.

As per our report of even date attached

For Luharuka & Associates
Chartered Accountants

Sd/
Rameshchand Jain
Partner
M.No.023019
Firm Reg NO.01882S

Date: 17th July 2020

For & On Behalf of the Board of Directors
of CDG PETCHEM LIMITED
formerly known as Urbaknitt Fabs Limited)

Sd/
Manoj Kumar Dugar
Chairman & Managing Director
DIN:00352733

Sd/-
Deepika Sureka
Company Secretary

Sd/
Rajesh Kumar Dugar
Director
DIN:00730059

Sd/-
Abhishek Kumar Sahal
Chief Financial Officer

CDG PETCHEM LIMITED

A Unit of
Chandantara Dugar Group

'Shyam Arihant'
1-8-304 to 307/10 & 11
Patigadda Road, Begumpet
Secunderabad - 500003
Telangana, India
T:+91-40-66494900/1/2, F:+91-40-27721360
Email: cdg@dugargroup.net
www.dugargroup.net, www.petroindia.com, www.cdgroup.in

Manufacture, Import, Supply, Distribution

Shade & Safety Nets - Printing & Packaging - Plastic Sheets - Plastic Rods & Bars - PVC Foam Board - PVC Pipes - Stretch Film - Bubble Film - CPP Film - EVA Sheet - Technical Fabrics - Construction Chemicals - Surfactants - Pharma Chemicals - Fume Silica - Polymer Chemicals - Plastic Chemicals - Petrochemicals - Sealants

Stay Safe!! Stay Healthy!! Stay Stronger Together!!