

SE/CS/2022-23/24

12<sup>th</sup> July, 2022

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
Scrip Code – 530871

National Stock Exchange of India Limited  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (W),  
Mumbai – 400 051  
Scrip Code – CHEMBOND

**Ref: ISIN: INE995D01025**

**Sub: 47<sup>th</sup> Annual Report 2021-22 and Notice of 47<sup>th</sup> Annual General Meeting (AGM)**

Dear Sir/Madam,

This is to inform you that the 47<sup>th</sup> AGM of the Company will be held on Friday, 5<sup>th</sup> August, 2022 at 3.30 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to Regulation 30 and 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 47<sup>th</sup> AGM of the Company.

Notice of the 47<sup>th</sup> AGM and Annual Report for the financial year 2021-22 can also be downloaded from website of the Company  
[https://www.chembondindia.com/investors\\_details.php?investor=Annual+Report](https://www.chembondindia.com/investors_details.php?investor=Annual+Report).

The Secretarial Audit Report of unlisted material subsidiary Companies viz. Chembond Water Technologies Limited and Chembond Material Technologies Private Limited is also attached herewith.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking You

Yours Truly,  
For **Chembond Chemicals Limited**



**Suchita Singh**  
**Company Secretary & Compliance Officer**



Chembond Chemicals Limited

# 47<sup>th</sup> Annual Report 2021-22

[chembondindia.com](http://chembondindia.com)



## Board of Directors

|                          |                                |
|--------------------------|--------------------------------|
| Mr. Ashwin R. Nagarwadia | Non-executive Director         |
| Mr. Mahendra K. Ghelani  | Independent Director           |
| Mr. Nirmal V. Shah       | VC and Managing Director       |
| Dr. Prakash D. Trivedi   | Independent Director           |
| Mr. Sameer V. Shah       | Chairman and Managing Director |
| Mrs. Saraswati Sankar    | Independent Director           |
| Mr. Sushil U. Lakhani    | Independent Director           |

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**Chief Financial Officer**  
Rashmi S. Gavli

**Company Secretary**  
Suchita Singh

**Registrar & Transfer Agents**  
TSR Consultants Private Limited

**Statutory Auditors**  
Bathiya & Associates LLP  
Chartered Accountants

**Secretarial Auditor**  
Virendra Bhatt

**Cost Auditor**  
Jitendrakumar & Associates

**Bankers**  
HDFC Bank Limited  
Bank of India  
Kotak Mahindra Bank

**Plants**  
Alandi, Pune  
Dudhwada, Gujarat  
Mahape, Navi Mumbai  
Nalagarh, Himachal Pradesh  
Rabale, Navi Mumbai  
Ranipet, Tamil Nadu  
Tarapur, Maharashtra

**Registered Office**  
Chembond Centre,  
EL 71, MIDC, Mahape,  
Navi Mumbai 400710  
Tel.: +91 22 62643000  
Fax.: +91 22 27681294  
Email : [info@chembondindia.com](mailto:info@chembondindia.com)  
Website : [www.chembondindia.com](http://www.chembondindia.com)  
CIN : L24100MH1975PLC018235

## MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion is based on the Audited Standalone and Consolidated financial statements of Chembond Chemicals Limited and its following subsidiaries and step-down subsidiaries (together referred to as “the Group”):

- i. Chembond Biosciences Limited
- ii. Chembond Calvatis Industrial Hygiene Systems Ltd
- iii. Chembond Distribution Limited
- iv. Chembond Material Technologies Private Limited
- v. Chembond Polymers and Materials Limited
- vi. Chembond Water Technologies Limited
- vii. Phiroze Sethna Private Limited

### Step-down subsidiaries

- viii. Chembond Clean Water Technologies Limited
- ix. Chembond Water Technologies (Malaysia) Sdn Bhd
- x. Chembond Water Technologies (Thailand) Co. Ltd.
- xi. Gramos Chemicals India Private Limited

This discussion, therefore, covers the financial results and other developments from April 2021 to March 2022, in respect of the Group. The financial year 2021-22 has been referred to as “the year” and the financial year 2020-21 has been referred to as “the previous year”. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated owing to various factors such as changes in government regulations, tax regimes, economic developments, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

During the year under review, your Company has achieved revenue from operations of ₹4,616.64 lakhs on standalone basis and ₹34,941.63 lakhs on consolidated basis. The comparative figures are tabulated below.

### Standalone and Consolidated

The highlights of standalone and consolidated performance are as follows:

(₹ in Lakhs)

| Particulars              | Standalone |         | Consolidated |         |
|--------------------------|------------|---------|--------------|---------|
|                          | 2021-22    | 2020-21 | 2021-22      | 2020-21 |
| Net Sales                | 4,233      | 3,903   | 32,519       | 25,434  |
| Product Margin           | 1,961      | 2,007   | 12,151       | 11,102  |
| Gross Margin             | 1,193      | 1,311   | 9,800        | 9,143   |
| Selling & Administration | 699        | 846     | 4,457        | 4,167   |
| Employee Cost            | 690        | 599     | 6,259        | 5,396   |
| EBITDA                   | 1,368      | 1,552   | 2,571        | 3,351   |
| PBT                      | 1,093      | 1,265   | 2,054        | 2,853   |

### Ratio Analysis

| Particulars                       | Standalone |         | Consolidated |         |
|-----------------------------------|------------|---------|--------------|---------|
|                                   | 2021-22    | 2020-21 | 2021-22      | 2020-21 |
| Product Margin, % of Sales        | 46.33      | 51.42   | 37.37        | 43.65   |
| Gross Margin, % of Sales          | 28.18      | 33.60   | 30.14        | 35.95   |
| Selling & Admin Costs, % of Sales | 16.51      | 21.68   | 13.71        | 16.38   |
| Employee Costs, % of Sales#       | 16.31      | 15.35   | 19.25        | 21.21   |
| % EBITDA to Sales*                | 32.31      | 39.78   | 7.90         | 13.17   |
| Net Profit Margin (%)*            | 18.94      | 23.01   | 4.00         | 7.44    |
| Return on Net Worth (%)*          | 3.61       | 4.13    | 4.68         | 7.26    |
| EPS (Basic & Diluted)             | 6.53       | 7.18    | 10.35        | 15.13   |
| Debt/Equity ratio@                | 0.00       | 0.00    | 0.00         | 0.01    |
| Debtors Turnover                  | 2.32       | 2.38    | 4.04         | 3.31    |
| Inventory Turnover                | 8.94       | 6.03    | 7.18         | 5.75    |
| Interest Coverage ratio@          | 227.76     | 178.93  | 30.80        | 68.62   |
| Current ratio                     | 9.91       | 7.45    | 3.64         | 3.24    |

Consolidated Sales have grown on the back of business recovery.

EBITDA, PBT, Net Profit and return on net worth have decreased due to unprecedented increase in Input prices, logistics cost, forex volatility and decrease in fair valuation of investment.

Current ratio and Inventory turnover have improved due to better planning and forecasting and this has in turn reduced the need for banking limits thus improving the Interest coverage ratio.

There is no other significant change (i.e. change in 25% or more as compared to the financial year 2020-21) in the key financial ratios except the ones mentioned above.

## Industry Structure & Developments

### Global Economy

The already crippled economy battling for revival was hindered by the new Covid-19 variants and waves. Inflation has re-appeared in both advanced and emerging countries. The rising energy and food prices, input prices, disruption in supply chain and rising freight cost added additional burden and raised the Global Income inequality. A rapid global rollout of vaccines helped a few countries minimise the effect of Covid-19 in the third wave.

The invasion of Ukraine by Russia and the restrictions imposed on it and the constraints levied on China have upset the global supply chain system. The Climatic changes and the disruptions caused due to it are a matter of Global concern. Rising temperatures are fuelling environmental degradation and natural disasters, food and water insecurity, conflict and terrorism.

### Indian Economy

Indian economy grew 8.7% in FY 2021-22 with the GDP expanding 4.1% in March quarter from year ago, which is lesser than the RBI projection of 6.1% (source ndtv). The FY began with the surge of the second wave of the pandemic leading to an unprecedented upsurge of Covid-19 cases and deaths across India. India rolled out the world's largest Covid-19 vaccination drive and within a year 1.56 billion doses were delivered to protect people against the pandemic disease. All these factors helped in minimising casualties in the third wave.

India's capital markets performed exceptionally during the first half of this period and the Sensex and Nifty scaled up to touch its peak in October 2021. Whilst fighting with the pandemic the Government has also been active and has brought in reforms specially targeting the supply management rather than being depended on the demand. These supply-side reforms include deregulation of numerous sectors, simplification of processes, removal of legacy issues like 'retrospective tax', privatization, production-linked incentives and so on. The PM Gati Shakti yojana has been a welcome move and a transformative approach for economic growth and sustainable development. The government's endeavour to promote integrated logistics and multimodal connectivity is expected to accelerate the progress of the disintegrated logistics industry.

### Chemical Industry

From April 2021 to February 2022, exports of organic & inorganic chemicals increased 33.75% YoY to reach US\$ 26.48 billion. Chemical exports from India reached a new high of US\$ 29,296 million in 2021-22. India is the world's sixth largest chemical manufacturer and Asia's third and in terms of chemical exports, it is ranked 14<sup>th</sup>. Organic and inorganic chemicals, agrochemicals, dyes and dye intermediates, and specialty chemicals all contributed to the increase in chemical exports. With the "Make in India" concept, the Indian chemical sector has grown into a global player that earns foreign cash for the country.

Chemical exports have increased as a result of ongoing efforts by the Department of Commerce and Indian Member Exporters. (source ibef.org)

## Outlook on Opportunities, Threats, Risks and Concerns

Your Company has a well-established infrastructure with respect to manufacturing capacities, human resources, sales and technical expertise, which are key factors for future growth of its businesses. The Company can bank on its product development skills for creating new markets and products, backward integration, quality improvement and cost reduction especially in the new normal post Covid. With addition of advance remote monitoring and control systems based on AI we are positioned well to manage the future of the water business in coming times.

### Opportunities

1. Customers looking for cost effective solutions post Covid.
2. The advantage of being a professionally managed local company adaptable to the ever-changing business environment.
3. In house research centre and technical expertise helps develop tailor-made solutions for customers.
4. Customers looking for outsourcing utility operations on O & M basis.
5. Government initiatives / incentives for setting up sourcing / manufacturing companies within the country.
6. Expansion in the manufacturing capacities by customers to cater to growing demand.

### Threats

1. Climate change has resulted in commodity price volatility.
2. Global companies strategically buying out businesses and investing in India.
3. Threats from low-cost manufacturers and introduction of automated processes.
4. Challenges of environmental regulations being made stricter year on year.
5. Cost of compliance makes operations uneconomical and unviable.

### Risks & Concerns

The growth of the speciality chemical industry is driven by R&D activities and a need for constant innovation in the product spectrum. On the other hand, strong R&D set-up ensures quality management and cost reductions. Since your Company has its own R&D Centre, the above concerns are well addressed.

The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. The Managements commitment towards employee health, safety and security extends beyond accidents and occupational health hazards to social well-being of employees. The Company conducts EHS audits periodically to get assurance on its framework



protocol and regulatory compliances. The Company has an Environment, Health and Safety Policy entailing its commitment towards high standards of EHS across its facilities. The evolution of the regulatory environment across the globe has resulted into increased scrutiny that raises minimum standards required by the Company necessitating increased investment in compliance. The Company considers regulatory requirements as a source of competitive advantage and therefore abides by and strives to exceed the changing regulatory compliance requirements to consolidate its position in business.

Macro-economic conditions like the policy decisions of the government, currency fluctuations and volatility in commodity prices can affect the business of the Company. As the Company's revenue generating sources are diversified into various sectors having strong domestic demand, such risks are mitigated to some extent.

## Business Snapshot

### Water Treatment

Your Company offers speciality chemicals, systems and services for Total Water Management and water re-use across the industrial and C&I spectrum in the country and in limited international geographies. Our solutions are based on years of filed expertise and extensive customer system surveys coupled with advanced monitoring techniques and proactive technical support to meet and exceed our customer's expectations. Our capabilities include managing all water treatment applications like raw water, cooling water, boiler feedwater, produced water, and wastewater to allow recycle and re-use of water while allowing the plant to run efficiently and reliably. Our NSF approved RO membrane treatment and evaporator treatment products allow enhanced water recovery and zero liquid discharge operations. The 2<sup>nd</sup> and 3<sup>rd</sup> Covid wave did throw challenges to the entire business community. Your Company faced significant challenges in the form of a strained supply chain and unprecedented margin pressure. With the support of our esteemed customers and our sincere on-site teams, we ensured fulfilment of all customer contracts and commitments. The top-line growth during the year has been amongst the best in the recent past however, the severe pressure on cost of materials depressed our bottom-line significantly. The outlook for 2022-23 remains positive for this business.

### Construction Chemicals

Revenues for the Construction Chemicals business during the year were marginally lower compared to the previous year. Hereto, raw material unavailability combined with material cost increases posed challenges not experienced before. Demand was muted for a part of the year leading to the top-line reduction. We did however manage to improve the bottom-line by maintaining a tight control on product margin and reducing overheads and some direct costs. The outlook for 2022-23 on the demand side is positive however our tightfistedness on profitability and credit worthiness will take precedence over driving an unsustainable top-line growth.

### Biotech

For the Animal Health business, FY22 has given encouraging results in terms of consolidation of business, setting up broad strategies and its execution. The business has grown by 35% in FY22 with significant improvement in business EBITDA over previous year. This is creditable because the last year was another difficult year for the industry as we had to pass through the challenges of Covid in Q1 and later on increase in RM/PM cost. The Animal Health industry went through a very difficult phase in Q4 due to a more than 30% increase in feed cost which adversely impacted working capital of our customers and disturbed cash flow of our business.

In spite of market challenges our growth driver strategies were very successful and as a result our business could attain growth of 82% from growth driver markets and 73% growth from growth driver brands.

FY 22 was good in terms of diversification of business also, as our Dairy nutrition business attained structured model and business also doubled during the year. In retail segment of Dairy business, we signed a co-marketing JV with GRG ATM in Gujarat which, though a very small addressable market, will strengthen our brand and establish our presence at small and marginal dairy farms in Gujarat.

Although the external environment continues to be challenging due to the pandemic and the high cost of animal feed ingredients, our business is rightly positioned with our infrastructure, presence in major markets, and an aggressive growth strategy. Although this business has passed through a few difficult years, business is poised for good growth and profitability in coming years.

### Material Technologies

Your Company's Material Technologies Division and its subsidiaries manufacture wide range of products that cater to similar customers and the synergies of your Company's relationships with major customers is being used to increase overall business.

The Metal Treatment Chemicals Business has won large orders from the leading global appliance manufacturers, steel manufacturers, wire & tube drawing companies, and automotive vendors. Our focus continues to be on introducing green technology products to our valued customers.

In Coatings, a good top line growth was recorded but margins were under pressure due to raw material price increases. Efforts are being made to improve the overall profitability.

For Engineering Adhesives, special focus is being given to increase the sales by developing new applications with various customers.

The Automotive Sealants business, which operates under a subsidiary, Phiroze Sethna Pvt. Ltd., was majorly impacted due to increase in raw material costs. Sustained efforts towards obtaining suitable price increases from customers

is resulting in improved profitability. Your company has received approvals for a few new applications from OEM's during the year and supplies are likely to commence in the current FY.

The sales of Paint Booth products from Gramos Chemicals India Pvt Ltd were impacted due to lower exports though the domestic business performed satisfactorily. Efforts are being made to increase the export business and to increase our presence with domestic OEM's.

### **Industrial Hygiene**

Your Company has a Joint Venture with Calvatis GmbH, Germany and offers industrial hygiene and cleaning solutions to the dairy, food processing, beverage and brewing industries. The Company continues to make inroads in these segments and is augmenting its capabilities continuously. During the year under review, we re-gained market traction, invested in growing our team size and expanded our product offerings to include institutional products in addition to the industrial products already offered. We expect these actions to generate new business in 2022-23 and ahead.

### **Polymers**

As informed in the Annual Report 2020-21 your Company has decided to exit from the Polymers business and accordingly an application has been filed with NCLT for Scheme of Amalgamation, thereby merging Chembond Polymers and Materials Limited into Chembond Material Technologies Private Limited.

### **Research & Development**

Investment in R&D is a priority for your Company in order to build a sustainable and valuable business. In Material Technologies, we received acceptance for products for applications in the defense industry; newly developed environmentally friendly products were well accepted by the surface treatment customers; and sealants and specialty coatings were developed by the automotive sealants division. The Biotech group continued to develop new probiotics and improve fermentation and downstream processes.

### **Manufacturing**

The Company operates multi-product manufacturing plants at Baddi, Dudhwada, Navi Mumbai, Pune, Ranipet, and Tarapur to serve customers across the country. Enhancements are made regularly at all plants to incorporate state of the art technologies for improving upon quality and on-time delivery standards. The teams at all plants are well versed with chemical manufacturing and the use of global best manufacturing practices.

### **Safety, Health, Environment and Quality**

Our focus remains undeterred when it comes to providing a safe and healthy workplace to our employees, caring for the environment by adhering to and exceeding statutory norms, and to our diverse customers to whom we aim to be a "supplier

of choice". All manufacturing plants and functions have targets for improving upon existing safety, environment, quality and customer service metrics. A dedicated team conducts risk assessments and environmental impact assessment of manufacturing operations to identify occupational hazards and environmental aspects, and define control measures to reduce the risk to people, property and environment, to acceptable levels as per ISO 45001 & ISO 14001 for which we are certified for. The Company continues to maintain its Quality Management Systems certifications as per ISO 9001 & IATF 16949. Chembond Water Technologies Limited has achieved an ISO 9001 certification for its Technical Services operations in addition to its existing scope. Our Construction Chemicals division has renewed its BIS certifications viz. IS 2645:2003 and IS 9103:1999 for its integral water proofing compound, and for its superplasticizing admixture respectively.

### **Human Resources**

Company operations are challenging as its people centric. Company truly values its human resources, who have committed themselves to the Company's Mission and Vision.

An effective talent management strategy and an optimum workforce helps us meet the demand for talent in our business.

We have been focusing on training and development for enhancing the capabilities of our personnel and building on their core technical skills throughout the year.

### **Industrial / Employee Relations:**

Company maintained harmonious Industrial / Employee Relations throughout, and no man-days are lost due to Industrial / Employee actions.

### **Internal Control Systems and their Adequacy**

Chembond has a sound Internal Control System, which aims to assure that operations are effective and well aligned with the strategic goals and its evolving needs. The Company's internal controls are commensurate with its size and the nature of its operations both at entity and process levels. The internal control framework is intended to ensure correct, reliable and timely financial reporting and management information.

The Company has implemented the Internal Financial Control (IFC) framework to ensure proper Internal Controls over financial reporting. The internal control system is further supplemented by Internal Audit carried out by an independent firm of Chartered Accountants and periodic review by Management. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. Based on the report of Internal Audit, the process owners undertake corrective actions in their respective areas, thereby further strengthening the Controls.

The Audit Committee reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee. The Audit committee also meets Statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations.

### Corporate Social Responsibility (CSR)

Chembond Group aims to take a balanced approach to address social, economic and environmental issues through diverse programs, recognizes that its business activities have wide impact on the societies in which it operates. The Company endeavours to make CSR a key business process for sustainable development and it is committed to play active role in improving the lives of people. Chembond Children's Centre provides education to economically underserved sections, especially girls, as one of its core functional area for CSR activities. The Chembond Children's Centre runs non-formal educational centres at Psthall and Shirgaon near Tarapur. The objective of the Centre is to augment school curriculum by providing individual attention to students and improving the self-esteem of girls via skills like the martial arts, dance, painting, chess, gymnastics, and sewing. In addition to the above, the Centre conducts camps and workshops in the areas of health care, life skills, and assists students in obtaining scholarships.

Details pertaining to CSR Committee, Policy etc. are given in the Boards' Report.

### Disclosure of Accounting Treatment

Chembond has prepared financial statements for the FY 2021-22 in accordance with the Indian Accounting

Standards (IND AS) as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

### Outlook

India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook is expected to be marginal. India's Clarion call resulting in growth-enhancing policies and schemes (such as Atmanirbhar Bharat, Make in India, PM GatiShakti National Master Plan (PMGS-NMP), Pradhan Mantri Awas Yojana, and Housing for All) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency-all leading to accelerated economic growth.

Building on our people capabilities and our agile organisation, Chembond will continue to be vigilant to changing market dynamics.

### Forward Looking Statements

This report contains statements, which may constitute 'forward looking statements' within the meaning of the applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of the future events. Actual results could differ materially from those expressed or implied. Important factors that could impact the Company's performance include, among others, economic conditions affecting the demand / supply and price conditions in the markets in which the Company operates, changes in the Government policies, regulations, tax laws, other statutes and incidental factors. The Company undertakes no obligations to update or revise forward-looking statements based on any subsequent developments, information or events.

On behalf of the Board

sd/-  
**Sameer V. Shah**  
Chairman and Managing Director

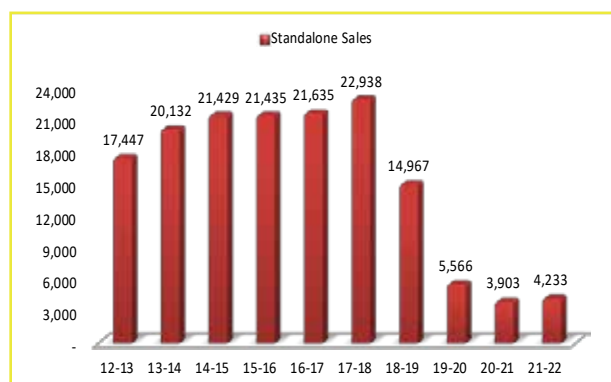
sd/-  
**Nirmal V. Shah**  
VC and Managing Director

Mumbai  
14<sup>th</sup> May, 2022

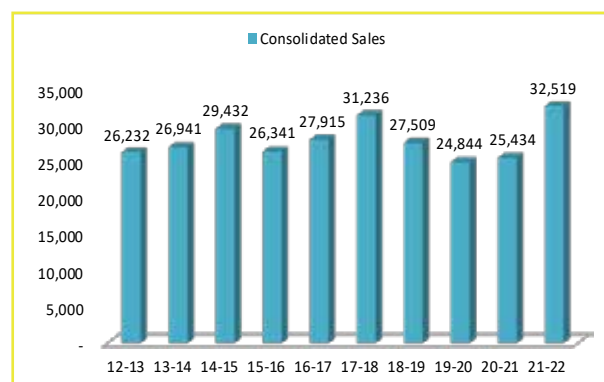


## PERFORMANCE INDICATORS

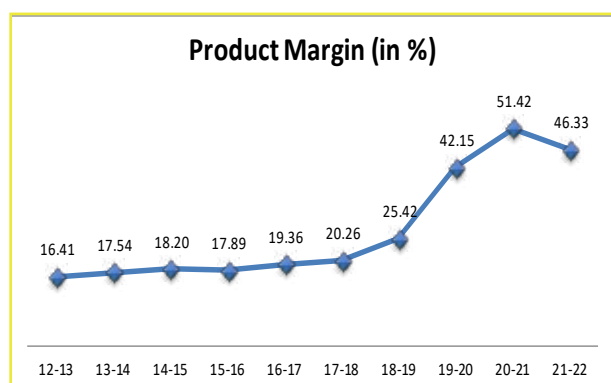
### Standalone



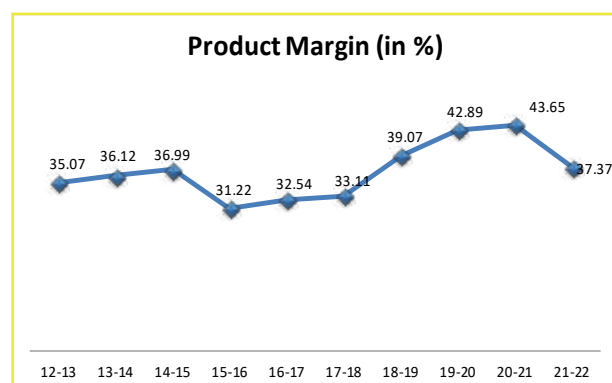
### Consolidated



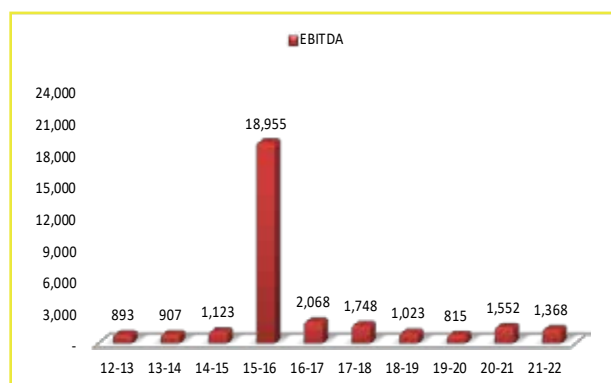
### Product Margin (in %)



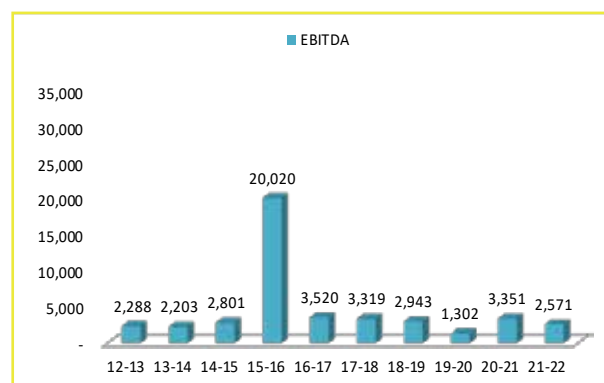
### Product Margin (in %)



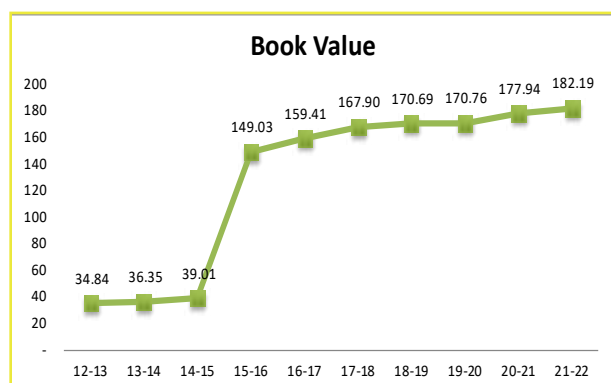
### EBITDA



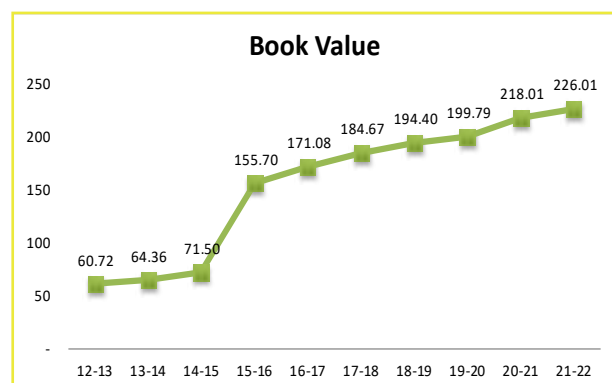
### EBITDA



### Book Value



### Book Value



all numbers in ₹Lakhs except Book Value and EPS

Numbers adjusted for Subdivision of Shares in 2016-17 from face value of ₹10/- each to ₹5/- each

## 10 Years' Financial Performance Consolidated

(₹ In lakhs except per share data and ratios)

| Highlights                                                                                                        | 2021-22   | 2020-21   | 2019-20   | 2018-19   | 2017-18   | 2016-17   | 2015-16   | 2014-15   | 2013-14   | 2012-13   |
|-------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Operating Result</b>                                                                                           |           |           |           |           |           |           |           |           |           |           |
| Revenue From Operations                                                                                           | 34,941.63 | 27,444.58 | 26,804.28 | 30,130.94 | 33,422.81 | 32,086.11 | 27,104.71 | 30,022.85 | 27,445.96 | 26,606.44 |
| Other Income                                                                                                      | 817.53    | 1,533.09  | 303.78    | 393.14    | 1,064.02  | 1,829.86  | 3,321.25  | 138.04    | 120.77    | 120.52    |
| Finance Cost                                                                                                      | 68.91     | 42.19     | 78.29     | 78.20     | 118.21    | 116.67    | 181.36    | 361.08    | 402.88    | 451.71    |
| Depreciation                                                                                                      | 447.86    | 455.45    | 434.80    | 423.98    | 410.67    | 381.56    | 354.51    | 432.32    | 281.39    | 259.28    |
| PBT                                                                                                               | 2,053.76  | 2,852.92  | 789.21    | 2,440.59  | 2,790.28  | 3,021.42  | 19,484.02 | 2,007.90  | 1,518.98  | 1,576.76  |
| PAT                                                                                                               | 1,398.57  | 2,040.89  | 308.50    | 1,983.64  | 2,356.77  | 2,285.73  | 15,650.25 | 1,440.27  | 912.41    | 790.19    |
| Dividend on Equity Shares                                                                                         | 302.59    | -         | 537.93    | 248.79    | 221.90    | -         | 601.97    | 199.81    | 199.81    | 189.82    |
| <b>Financial Position</b>                                                                                         |           |           |           |           |           |           |           |           |           |           |
| Equity Share Capital                                                                                              | 672.41    | 672.41    | 672.41    | 672.41    | 672.41    | 672.41    | 669.69    | 666.04    | 666.04    | 666.04    |
| Reserves<br>(Less Revaluation Reserve & Misc exp)                                                                 | 29,722.64 | 28,646.73 | 26,195.52 | 25,471.56 | 24,162.33 | 22,335.46 | 20,183.93 | 8,858.60  | 7,907.32  | 7,422.93  |
| Net Worth                                                                                                         | 30,395.05 | 29,319.14 | 26,867.93 | 26,143.97 | 24,834.75 | 23,007.87 | 20,853.62 | 9,524.64  | 8,573.36  | 8,088.97  |
| Borrowings                                                                                                        | 150.63    | 188.06    | 337.82    | 670.22    | 908.96    | 888.25    | 1,089.79  | 2,495.24  | 3,307.28  | 2,948.21  |
| Net Block (Asset)                                                                                                 | 12,069.50 | 12,155.39 | 12,391.26 | 10,921.78 | 10,813.77 | 4,912.55  | 4,714.11  | 5,147.03  | 5,361.52  | 4,725.00  |
| <b>Ratios</b>                                                                                                     |           |           |           |           |           |           |           |           |           |           |
| Return on Average Networth % (RONW)<br>(PAT divided by Average Networth)                                          | 4.68%     | 7.26%     | 1.16%     | 7.78%     | 9.85%     | 10.42%    | 103.04%   | 15.92%    | 10.95%    | 10.29%    |
| Return on Average Capital Employed % ( ROCE)<br>(PBIT divided by Average Fund Employed<br>Excluding Def tax liab) | 7.07%     | 10.21%    | 3.21%     | 9.58%     | 11.72%    | 13.69%    | 115.72%   | 17.88%    | 16.01%    | 16.90%    |
| Gross Gearing %<br>(Debt as a percentage of Debt plus Equity)                                                     | 0.49%     | 0.64%     | 1.24%     | 2.50%     | 3.53%     | 3.72%     | 4.97%     | 20.76%    | 27.71%    | 26.58%    |
| Current Ratio<br>(Current Assets divided by Current Liabilities**)                                                | 3.64      | 3.24      | 3.71      | 3.47      | 2.42      | 3.37      | 2.83      | 2.16      | 2.09      | 2.20      |
| Asset Turnover Ratio<br>(Net Sales divided by Total Assets)                                                       | 0.97      | 0.78      | 0.83      | 0.94      | 1.03      | 1.00      | 0.91      | 1.48      | 1.34      | 1.45      |
| Earning Per Share (Basic)*                                                                                        | 10.35     | 15.13     | 1.39      | 12.88     | 16.34     | 14.40     | 115.04    | 9.29      | 5.83      | 5.57      |
| Dividend Per Share                                                                                                |           | -         | 4.00      | 1.85      | 1.65      | -         | 9.00      | 3.00      | 3.00      | 2.85      |
| Book Value Per Share*                                                                                             | 226.01    | 218.01    | 199.79    | 194.40    | 184.67    | 171.08    | 155.70    | 71.50     | 64.36     | 60.72     |

The Company has adopted Ind-AS accounting standards with effect from 1<sup>st</sup> April 2016, hence FY 2017 onwards, the financials are reported as per Ind-AS and are not strictly comparable with previous years. For FY 2016, Balance sheet items are as per Ind-AS.

\* Adjusted for issue of Bonus Shares in March 2010 in the ratio of 1 : 1 & Subdivision of Shares in September 2016 from face value of ₹10/- each to ₹5/- each

\*\* Current Liabilities excludes Short Term Borrowing and Current maturities of Long term Debt

**10 Years' Financial Performance Standalone**

(₹ In lakhs except per share data and ratios)

| Highlights                                                                                                        | 2021-22   | 2020-21   | 2019-20   | 2018-19   | 2017-18   | 2016-17   | 2015-16   | 2014-15   | 2013-14   | 2012-13   |
|-------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Operating Result</b>                                                                                           |           |           |           |           |           |           |           |           |           |           |
| Revenue From Operations                                                                                           | 4,616.64  | 4,203.69  | 5,854.29  | 15,628.96 | 23,779.03 | 24,367.32 | 21,563.77 | 21,674.90 | 20,356.05 | 17,689.98 |
| Other Income                                                                                                      | 957.80    | 1,191.20  | 655.81    | 564.58    | 1,048.47  | 1,682.00  | 3,480.99  | 329.92    | 288.28    | 424.35    |
| Finance Cost                                                                                                      | 4.82      | 7.11      | 4.86      | 29.12     | 54.60     | 63.88     | 118.75    | 273.51    | 304.20    | 291.70    |
| Depreciation                                                                                                      | 269.93    | 280.46    | 279.84    | 287.77    | 287.18    | 274.10    | 268.57    | 276.21    | 192.13    | 181.95    |
| PBT                                                                                                               | 1,092.78  | 1,264.90  | 530.81    | 706.27    | 1,406.12  | 1,729.97  | 18,567.35 | 573.72    | 410.80    | 419.47    |
| PAT                                                                                                               | 874.37    | 967.32    | 554.16    | 633.15    | 1,359.31  | 1,451.50  | 15,122.59 | 558.33    | 392.43    | 347.76    |
| Dividend on Equity Shares                                                                                         | 302.59    | -         | 537.93    | 248.79    | 221.90    | -         | 601.97    | 199.81    | 199.81    | 189.82    |
| <b>Financial Position</b>                                                                                         |           |           |           |           |           |           |           |           |           |           |
| Equity Share Capital                                                                                              | 672.41    | 672.41    | 672.41    | 672.41    | 672.41    | 672.41    | 669.69    | 666.04    | 666.04    | 666.04    |
| Reserves (Less Revaluation Reserve & Misc exp)                                                                    | 23,828.85 | 23,257.87 | 22,291.87 | 22,282.45 | 21,907.35 | 20,765.91 | 19,291.49 | 4,529.93  | 4,175.53  | 3,974.92  |
| Net Worth                                                                                                         | 24,501.26 | 23,930.28 | 22,964.28 | 22,954.86 | 22,579.77 | 21,438.32 | 19,961.18 | 5,195.97  | 4,841.57  | 4,640.97  |
| Borrowings                                                                                                        |           |           | -         | -         | 467.12    | 732.18    | 819.54    | 2,176.85  | 2,481.42  | 2,298.03  |
| Net Block (Asset)                                                                                                 | 3,252.55  | 3,414.79  | 3,652.39  | 3,763.63  | 3,805.35  | 3,936.97  | 3,680.86  | 3,617.61  | 3,820.63  | 3,403.46  |
| <b>Ratios</b>                                                                                                     |           |           |           |           |           |           |           |           |           |           |
| Return on Average Networth % (RONW)<br>(PAT divided by Average Networth)                                          | 3.61%     | 4.13%     | 2.41%     | 2.78%     | 6.18%     | 7.01%     | 120.23%   | 11.12%    | 8.28%     | 8.00%     |
| Return on Average Capital Employed % ( ROCE)<br>(PBIT divided by Average Fund Employed<br>Excluding Def tax liab) | 4.55%     | 5.45%     | 2.35%     | 2.90%     | 6.46%     | 8.35%     | 132.63%   | 11.47%    | 9.96%     | 10.74%    |
| Gross Gearing %<br>(Debt as a percentage of Debt plus Equity)                                                     | 0.00%     | 0.00%     | 0.00%     | 0.00%     | 2.03%     | 3.30%     | 3.94%     | 29.53%    | 33.64%    | 32.85%    |
| Current Ratio<br>(Current Assets divided by Current Liabilities**)                                                | 9.91      | 7.45      | 7.73      | 4.33      | 1.78      | 3.13      | 2.93      | 1.37      | 1.31      | 1.46      |
| Asset Turnover Ratio<br>(Net Sales divided by Total Assets)                                                       | 0.18      | 0.17      | 0.24      | 0.62      | 0.85      | 0.89      | 0.85      | 1.76      | 1.58      | 1.57      |
| Earning Per Share (Basic)*                                                                                        | 6.53      | 7.18      | 4.12      | 4.71      | 10.11     | 10.81     | 113.23    | 4.19      | 2.95      | 2.73      |
| Dividend Per Share                                                                                                |           | -         | 4.00      | 1.85      | 1.65      | -         | 9.00      | 3.00      | 3.00      | 2.85      |
| Book Value per Share*                                                                                             | 182.19    | 177.94    | 170.76    | 170.69    | 167.90    | 159.41    | 149.03    | 39.01     | 36.35     | 34.84     |

The Company has adopted Ind-AS accounting standards with effect from 1<sup>st</sup> April 2016, hence FY 2017 onwards, the financials are reported as per Ind-AS and are not strictly comparable with previous Years. For FY 2016, Balance sheet items are as per Ind-AS.

\* Adjusted for issue of Bonus Shares in March 2010 in the ratio of 1 : 1 & Subdivision of Shares in September 2016 from face value of ₹10/- each to ₹5/- each

\*\* Current Liabilities excludes Short Term Borrowing and Current maturities of Long term Debt

## BOARD'S REPORT

To,  
The Members,

Your Directors' take pleasure in presenting the 47<sup>th</sup> Annual Report on the business and operations of your Company together with the audited financial statements for the year ended 31<sup>st</sup> March, 2022.

### State of Company's Affairs

#### Financial Results

The financial performance of your Company is as summarized below for the year under review:

(₹ in Lakhs)

| Particulars                                                            | Standalone       |                  | Consolidated     |                  |
|------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                        | 2021-22          | 2020-21          | 2021-22          | 2020-21          |
| Revenue from Operations                                                | 4,616.64         | 4,203.69         | 34,941.63        | 27,444.58        |
| Total expense                                                          | 4,481.66         | 4,129.99         | 33,705.40        | 26,124.75        |
| Profit Before Tax                                                      | 1,092.78         | 1,264.90         | 2,053.76         | 2,852.92         |
| Profit for the year                                                    | 874.37           | 967.32           | 1,392.06         | 2,034.43         |
| Add: Balance as per last year                                          | 22,005.74        | 21,038.43        | 26,071.82        | 24,336.67        |
| Add: Effect of previous year transaction                               | -                | -                | -                | -                |
| Add: Addition during the year                                          | -                | -                | -                | 400.72           |
| Less: Deduction during the year                                        | -                | -                | 20.91            | -                |
| <b>Total</b>                                                           | <b>22,880.11</b> | <b>22,005.74</b> | <b>28,072.98</b> | <b>26,771.82</b> |
| <b>Appropriation</b>                                                   |                  |                  |                  |                  |
| General Reserves                                                       | -                | -                | -                | 70.00            |
| Set off of Dividend Tax in respect of dividend from Subsidiary Company | -                | -                | -                | -                |
| Interim Dividend                                                       | -                | -                | -                | -                |
| Tax on Interim Dividend                                                | -                | -                | -                | -                |
| Dividend Paid                                                          | 302.59           | -                | 302.59           | -                |
| Tax on Dividend Paid                                                   | 4.41             | -                | 4.41             | -                |
| Balance carried to Balance Sheet                                       | 22,573.12        | 22,005.74        | 27,765.99        | 26,701.82        |
| <b>Total</b>                                                           | <b>22,880.11</b> | <b>22,005.74</b> | <b>28,072.98</b> | <b>26,771.82</b> |

### Results of Operations

#### Income

During the year under review, consolidated revenue from operations was ₹34,941.63 lakhs as compared to ₹27,444.58 lakhs in the previous year. On the standalone basis, your Company's revenue from operations was ₹4,616.64 lakhs as compared to ₹4,203.69 lakhs in the previous year.

#### Profit Before Tax

Consolidated profit before tax for the current year was ₹2,053.76 lakhs as against ₹2,852.92 lakhs in the previous year. On a standalone basis, your Company's profit before tax for the current year was ₹1,092.78 lakhs as against ₹1,264.90 lakhs in the previous year.

#### Profit After Tax

Consolidated profit after tax for the current year was ₹1,392.06 lakhs as against ₹2,034.43 lakhs in the previous

year. On the standalone basis, your Company's profit after tax for the current year was ₹874.37 lakhs as against ₹967.32 lakhs in the previous year.

#### Recent Developments at Micro and Macro Economic Levels

The "second wave's" economic effect was significantly less compared to the extensive lockdown in the first wave, but the health consequences were far more severe. The Government's unique action plan included safety-nets to soften the impact on vulnerable sectors of society and the business sector, a major increase in capital investment to promote growth, and supply-side reforms to ensure long-term expansion.

In the first half of 2021-22, India's foreign exchange reserves surpassed US\$ 600 billion, reaching US\$ 633.6 billion as of 31<sup>st</sup> December, 2021. After China, Japan, and Switzerland, India was the world's fourth largest FX reserve holding

country as of the end of November 2021. Despite restricted tourism income, there was a large increase in net services, with both receipts and payments surpassing pre-pandemic levels.

Your Company is continuously monitoring the economic conditions and has outlined certain measures to combat the changing market conditions so as to minimize its impact on business and safeguard the stakeholders.

### Change in the Nature of Business

The Company continues to engage in manufacturing specialty chemicals like water treatment, polymers, construction chemicals, high performance coatings, animal health and industrial biotech products. There is no change in the nature of business or the business line of the Company.

### Dividend

The Board of Directors have recommended final dividend of ₹5/- per share (100%) for the financial year ended 31<sup>st</sup> March 2022. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the final Dividend after deduction of tax at source.

In accordance with Regulation 43A of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Board of Directors of the Company has voluntarily adopted a Dividend Distribution Policy ('Policy') which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders. Dividend payout is in accordance with the Policy which is available on the website of the Company i.e. <http://www.chembondindia.com/policy.html>.

### Share Capital

The movement of Equity Capital is as under:

| Particulars                                      | No. of Equity Shares | Equity Share Capital (₹) |
|--------------------------------------------------|----------------------|--------------------------|
| Equity Capital as on 1 <sup>st</sup> April 2021  | 1,34,48,288          | 6,72,41,440              |
| Increase/ Decrease during the year               | Nil                  | Nil                      |
| Equity Capital as on 31 <sup>st</sup> March 2022 | 1,34,48,288          | 6,72,41,440              |

During the year 2021-22, there was no change in the authorized and paid-up capital of the Company.

Your Company has only one class of Equity Shares and it has neither issued shares with differential rights for dividend, voting or otherwise, nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

No disclosure is required under Section 67(3)(c) of the Companies Act, 2013 ("the Act") in respect of voting rights not exercised directly by the employees or Key Managerial Personnel of the Company as the provisions of the Section are not applicable.

### Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.

### Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for FY 2021-22 in the retained earnings. (Previous year Nil)

### Directors and Key Managerial Personnel

At present your Company has seven Directors consisting of four Independent Directors (60%) including a Woman Director, two Executive Directors (30%) and one Non-executive Director (10%).

In accordance with the provisions of Section 152(6) of the Act, Mr. Nirmal V. Shah (DIN: 00083853) Vice Chairman and Managing Director, retires by rotation and being eligible, offers himself for re-appointment. His background is given in the Corporate Governance Report, which forms part of this report.

Mr. Sameer V. Shah (DIN: 00105721) and Mr. Nirmal V. Shah (DIN: 00083853), Chairman and Managing Director and Vice Chairman and Managing Director of the Company, respectively were appointed for a period of three years commencing from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2022, at the Board meeting held on 18<sup>th</sup> May, 2019 which was further approved by Members at the 44<sup>th</sup> AGM held on 3<sup>rd</sup> August, 2019. Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at its meeting held on 14<sup>th</sup> May, 2022, the Board of your Company has re-appointed them for further period of three years w.e.f. 1<sup>st</sup> August, 2022 to 31<sup>st</sup> July, 2025. The matter is being placed for your approval at the ensuing 47<sup>th</sup> AGM.

Pursuant to the provisions of Section 203 of the Act, Mr. Sameer V. Shah, Chairman and Managing Director, Mr. Nirmal V. Shah, Vice Chairman and Managing Director, Mrs. Rashmi Gavli, Chief Financial Officer and Mrs. Suchita Singh, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

### Inter-se relationship between Directors

Mr. Sameer V. Shah, Chairman and Managing Director and Mr. Nirmal V. Shah, Vice Chairman and Managing Director are relatives (siblings). Apart from this none of the Directors of the Company are in any way related to each other.



### Declaration by Independent Directors

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

Further declaration of independence as required under the Listing Regulations were also given as on 31<sup>st</sup> December, 2021.

### Policy on Directors appointment and remuneration

The Company has put in place an appropriate policy on appointment and remuneration of Directors and other matters provided under Section 178(3) of the Act. This policy is uploaded on the Company's website <http://www.chembondindia.com/policy.html>. Salient features of the policy on remuneration of Directors have been disclosed in the Corporate Governance section of this Report.

### Number of Board Meetings

Four (4) meetings of the Board were held during the year under review, details of which are furnished in the Corporate Governance Report forming part of the Annual Report. The maximum gap between two Board Meetings did not exceed 120 days, as prescribed under the Act.

### Performance evaluation and its criteria

The Board of Directors has carried out an evaluation of its own performance, and that of its Committees and of the individual Directors for the year pursuant to the provisions of the Act and Corporate Governance requirements as prescribed by the Listing Regulations.

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from the Board / Committee Members based on criteria such as composition of the Board / Committees and structure, effectiveness of the Board / Committee processes, providing of information and functioning etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors based on criteria such as attendance in Board / Committee meetings, contribution in the meetings like preparedness on issues to be discussed etc.

The Independent Directors at its separate meeting held on 25<sup>th</sup> January, 2022, reviewed the performance of Non-Independent Directors and performance of the Board as a

whole, performance of the Chairman of the Company taking into account the views of Executive and Non-executive Directors and assessed the quality, quantity and timeliness of flow of information to the Board to perform their duties effectively and reasonably.

### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, in respect of the year ended 31<sup>st</sup> March, 2022, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they prepared the annual accounts on a going concern basis;
- (e) they laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Audit Committee

The details in respect of role/powers/composition of the Audit Committee and other information are included in the Corporate Governance Report forming part of Annual Report.

### Auditor's and Auditor's Report

#### Statutory Auditors

M/s. Bathiya & Associates, LLP, Chartered Accountants (FRN:101046W/W100063) were appointed as the Statutory Auditor of the Company for a period of 5 consecutive years at the 43<sup>rd</sup> Annual General Meeting (AGM) held on 11<sup>th</sup> August, 2018 until the conclusion of 48<sup>th</sup> AGM to be held in the FY 2023 at a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditor.

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no

modified opinion, qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report during the year under review and the observations and comments given in the report of the Statutory Auditors read together with Notes to Accounts are self-explanatory and hence do not call for any further explanation or comments under Section 134 (f)(i) of the Act.

### Cost Auditors

As per the requirement of Central Government and pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records every year.

The Board of Directors, on the recommendation of Audit Committee at their meeting held on 14<sup>th</sup> May, 2022 appointed M/s. Jitendrakumar & Associates, Cost & Management Accountants, Mumbai, (FRN. 101561/Membership No. 30106) as the Cost Auditor to audit the cost records of the Company for FY 2022-23. The Company is seeking the approval of the Members for the remuneration to be paid to M/s. Jitendrakumar & Associates, Cost & Management Accountant for the FY ended 31<sup>st</sup> March, 2023.

M/s. Jitendrakumar & Associates have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The relevant Cost Audit Report for the FY 2020-21 was filed with Ministry of Corporate Affairs on 21<sup>st</sup> August, 2021 in Form CRA-4.

### Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary (C.P. No.: 124) to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2023. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Secretarial Audit Report in Form MR- 3 for the Financial Year ended 31<sup>st</sup> March, 2022 has been annexed as **Annexure 1**.

There are no qualification, reservation, adverse remark or disclaimer given by the Secretarial auditor in their report for the year under review.

### Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

### Subsidiaries and Step-down subsidiaries

The Company has been carrying on its domestic and international operations through its wholly owned subsidiaries (WOS) and step-down subsidiaries (SDS) as detailed below:

Your Company has seven subsidiaries and four step-down subsidiaries namely;

- i. Chembond Biosciences Limited
- ii. Chembond Calvatis Industrial Hygiene Systems Ltd
- iii. Chembond Distribution Limited
- iv. Chembond Material Technologies Private Limited
- v. Chembond Polymers and Materials Limited
- vi. Chembond Water Technologies Limited
- vii. Phiroze Sethna Private Limited

#### Step-down subsidiaries

- viii. Chembond Clean Water Technologies Limited
- ix. Chembond Water Technologies (Malaysia) Sdn Bhd
- x. Chembond Water Technologies (Thailand) Co. Ltd.
- iv. Gramos Chemicals India Private Limited

The details of financial performance of the subsidiaries and step-down subsidiaries are given in AOC-I as **Annexure 2**.

Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website [www.chembondindia.com](http://www.chembondindia.com).

### Remuneration to Directors and Key Managerial Personnel

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is given in **Annexure 3**.

### Particulars of employees

The statement containing particulars of employees as required under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, will be provided upon request to the Company. None of the employees of the Company are being paid remuneration exceeding the prescribed limit under the said provisions and rules.

## Remuneration to Managing Director from wholly owned subsidiary

During the financial year 2021-22, Mr. Sameer V. Shah – Chairman and Managing Director received remuneration of ₹27.56 lakhs from Chembond Biosciences Limited, WOS Company, and Mr. Nirmal V. Shah, Vice - Chairman and Managing Director received remuneration of ₹48.95 Lakhs from Chembond Water Technologies Limited, WOS Company.

## Policies and Disclosure Requirements

In terms of provisions of the Act and the Listing Regulations, the Company has adopted all the applicable policies. The policies are available on the website of the Company at <http://www.chembondindia.com/policy.html>.

All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2021-22.

The Company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Act forms part of Nomination and Remuneration Policy and has been disclosed in the Corporate Governance Report.

## Risk Management

The Company has its Risk Management Plan & Policy in place which is also displayed on the website of the Company i.e. <http://www.chembondindia.com/policy.html>. In the opinion of the Board, during the financial year 2021-22, no elements of risk which may threaten the existence of the Company were noticed by the Board. The Committee monitors the risk management plan and ensures its effectiveness. The details of Committee are set out in the Corporate Governance Report.

## Internal Financial Control System

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act.

Your Company has in place an adequate system of internal controls to ensure compliance with various policies, practices and statutes. The internal financial control systems are commensurate with the size and nature of business of the Company. Management exercises financial controls on the operations through standard operating procedures covering all financial and operating functions which is designed to provide a reasonable assurance with regards to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations. Key controls have been tested during the year and corrective and preventive action has been taken for any weakness. During the year no frauds have been detected or reported to the Audit Committee.

## Corporate Governance & Vigil Mechanism

A separate Corporate Governance Report on compliance with Corporate Governance requirements as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report. The same has been reviewed and certified by Mr. Virendra G. Bhatt, Practicing Company Secretary, the Secretarial Auditor of the Company and Compliance Certificate in respect thereof is attached as **Annexure 4**.

The Company has formulated a Whistle Blower Policy, details of which are furnished in the Corporate Governance Report, thereby establishing a vigil mechanism for Directors and permanent employees for reporting genuine concerns or grievances, if any, about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or policies. It also provides adequate safeguards against the victimization of employees and allows direct access to the chairperson of Audit Committee in appropriate or exceptional cases. The vigil mechanism / whistle blower policy is available on Company's website <http://www.chembondindia.com/policy.html>.

## Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, the Board of Directors of the Company has duly constituted the Corporate Social Responsibility Committee, adopted CSR policy and spent amount on CSR activities in accordance with the Act applicable to your Company.

The Company reviews and revises its CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021 from time to time. The CSR policy is available on Company's website at <http://www.chembondindia.com/policy.html>.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

During the year, the Company has spent ₹9.03 lakhs on CSR activities. The Company has identified focus areas of engagement which have been enumerated in the Annual Report on CSR Activities attached as **Annexure 5**. Chembond Water Technologies Limited a WOS of the Company spent an amount of ₹26.09 lakhs on CSR activities.

## Particulars of Related Party Transactions

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188(1) of the Act. Suitable disclosures as required

by the Indian Accounting Standards (Ind AS-24) have been made in the notes to the Financial Statements. The Board has a policy for related party transactions which has been uploaded on the Company's website <http://www.chembondindia.com/policy.html>. There were no material Related Party Transactions during the year. Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134 (3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are not "not at arm's length basis" and also which are "material and arm's length basis", is not provided as an annexure to this Report as it is not applicable.

### **The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Account) Rules, 2014, as amended from time to time, are provided in **Annexure 6**.

### **Particulars of Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments have been disclosed in the Financial Statements.

### **Promoters**

The Promoter Groups holding in the Company as on 31<sup>st</sup> March, 2022 was 65.28% of the Company's paid-up Equity Capital. The members may note that the shareholding and other details of Promoters has been provided in Annual Return as mentioned below.

### **Annual Return as on 31<sup>st</sup> March, 2022**

The Annual Return as provided under Section 92(3) read with Section 134(3)(a) of the Act as prescribed in Form No. MGT-7 of the Companies (Management and Administration) Rules, 2014, is available on the website of the company at <http://www.chembondindia.com/annual-report.html>.

### **Management Discussion and Analysis Report**

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of this Report.

### **Transfer to Investor Education and Protection Fund**

Members are requested to note that all unpaid / unclaimed dividends for a period of seven consecutive years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF Fund) established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and

Refund) Rules, 2016, as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Company has transferred shares to the demat account of the IEPF authority in respect of which dividend has not been claimed for seven consecutive years or more. The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. The Company has also uploaded the details of such shareholders and shares transferred on the website of the Company.

The Members/Claimants whose shares and unclaimed dividend amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

### **Prevention, Prohibition and Redressal of Sexual Harassment of Women**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy for Prevention of Sexual Harassment at Workplace is available on the website of the Company <http://www.chembondindia.com/policy.html>. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. They are also provided training about the Act.

During the year under review, no complaint was received.

### **Business Responsibility Report**

The Business Responsibility Report for the year ended 31<sup>st</sup> March, 2022 as stipulated under Regulation 34 of the Listing Regulations is annexed as **Annexure 7**.

### **Material changes and commitment**

There was a fire incident at Tarapur Maharashtra Plant on 21<sup>st</sup> April, 2022. The fire resulted in 1 fatality. Details about the losses etc. is mentioned in the Notes to Financial attached to this Report.

Except as disclosed elsewhere in the Report, there have been no material changes and commitment there was fire incident at Tarapur Maharashtra plant on 21<sup>st</sup> April, 2022 affecting, the financial position of your Company, which have occurred between the end of the financial year of the Company and the date of this Report.

### Significant and Material Orders

During the year under review there has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

### Proceedings pending under the Insolvency and Bankruptcy Code

There are no such proceedings or appeals pending and no applications has been filed under Insolvency and Bankruptcy Code, 2016 during the year under review and from the end of the financial year upto the date of this report.

### The details of difference between amount of the valuation done at the time of One-time settlement and the valuation done while taking loan from the Banks or Financial Institutions

On behalf of the Board

sd/-  
**Sameer V. Shah**  
 Chairman and Managing Director

sd/-  
**Nirmal V. Shah**  
 VC and Managing Director

Mumbai  
 14<sup>th</sup> May, 2022

No such instance of One-time settlement or valuation was done while taking or discharging loan from the Banks/ Financial Institutions occurred during the year.

### Compliance with Secretarial Standards

In terms of Section 118(10) of the Act, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) with respect to Meetings of Board of Directors and General Meetings and such systems were adequate and operating effectively.

### Acknowledgements

Your Board wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government authorities, Bankers, customers, vendors, employees and members during the year under review and look forward to their continued support.



**Annexure 1**

**Form No.: MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.: 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Chembond Chemicals Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chembond Chemicals 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 Company's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'), soft copy of various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its officers 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 31<sup>st</sup> March, 2022 ("audit period"), has prima facie 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 statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - applicable only to the extent of Foreign Direct Investments and Overseas Direct Investment;
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Though the following laws are prescribed in the format of Secretarial Audit Report, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2022:-

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) 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;
- (vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.
- (vii) I have also examined compliance with the applicable clauses and I am of the opinion that the Company has prima facie complied with the applicable provisions of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the audit period, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:-

1. I have not examined the financial statements, financial books and related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Services Tax, ESIC, Provident Fund, Professional Tax, Foreign Currency Transactions, Related Party Transactions including Reconciliation of Bank Statements etc., For these matters, I rely on the report of statutory auditor's and their observations, if any, and notes on accounts in Financial Statement for the year ended 31<sup>st</sup> March, 2022.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were prima facie carried out in compliance with the provisions of the Act.
3. As per the information provided prima facie 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 agenda items before the meeting and for meaningful participation at the Meeting.
4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.
5. There are prima facie 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.
6. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers / records required by the concerned authorities and internal control of the concerned department.
7. I further report that during the audit period, there were no instances of:
  - i. Public / Rights / Preferential issue of shares / debentures / sweat equity, etc.;
  - ii. Issue of equity shares under Employee Stock Option Scheme;
  - iii. Redemption / Buy-back of securities;
  - iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs.
  - v. Merger / amalgamation / Reconstruction etc.
  - vi. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record 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 basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. I have partially conducted online verification and examination of records, as facilitated by the Company due to prevailing conditions owing to Covid-19 for the purpose of issuing this Report.

Date: 14<sup>th</sup> May, 2022  
Place: Mumbai  
**UDIN: A001157D00032068**

sd/-  
**Virendra G. Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157 / COP No.: 124**  
**Peer Review Cert. No.: 1439/2021**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture as on 31<sup>st</sup> March, 2022

## Part "A": Subsidiaries

| Sr. No. | Name of subsidiary                                     | Date since when the subsidiary was incorporated or acquired | Reporting Period             | Reporting Currency | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover  | Profit Before Taxation | Provision for Taxation | Profit after Taxation | (Amounts ₹ in Lakhs) |                   |
|---------|--------------------------------------------------------|-------------------------------------------------------------|------------------------------|--------------------|---------------|--------------------|--------------|-------------------|-------------|-----------|------------------------|------------------------|-----------------------|----------------------|-------------------|
|         |                                                        |                                                             |                              |                    |               |                    |              |                   |             |           |                        |                        |                       | Proposed Dividend    | % of Shareholding |
| 1       | Chembond Biosciences Limited                           | 01.07.11                                                    | 01 Apr 2021 till 31 Mar 2022 | INR                | 190           | (290.97)           | 1,457.54     | 1,558.51          | -           | 2,853.09  | (107.63)               | 2.81                   | (110.44)              | -                    | 100               |
| 2       | Chembond Calvatis Industrial Hygiene Systems Limited   | 12.12.08                                                    |                              | INR                | 49.99         | 116.99             | 211.84       | 44.87             | 96.91       | 321.36    | 18.92                  | 4.45                   | 14.46                 | -                    | 55                |
| 3       | Chembond Clean Water Technologies Limited              | 17.04.10                                                    |                              | INR                | 827.81        | 230.22             | 1,262.97     | 204.94            | 544.60      | 1,723.77  | 169.68                 | 58.49                  | 111.19                | -                    | 100               |
| 4       | Chembond Distribution Limited                          | 15.09.18                                                    |                              | INR                | 5.00          | 584.68             | 865.92       | 276.25            | -           | 2,693.14  | 231.49                 | 59.13                  | 172.36                | -                    | 100               |
| 5       | Chembond Material Technologies Private Limited         | 24.03.00                                                    |                              | INR                | 151.50        | 38.46              | 4,859.65     | 4,669.69          | -           | 9,838.81  | 112.10                 | (2.29)                 | 114.40                | -                    | 100               |
| 6       | Chembond Polymers and Materials Limited                | 14.12.06                                                    |                              | INR                | 30.00         | 475.29             | 531.64       | 26.35             | 323.03      | 239.42    | 23.62                  | 3.31                   | 20.31                 | -                    | 100               |
| 7       | Chembond Water Technologies (Malaysia) SDN. BHD.       | 24.02.16                                                    |                              | RM**               | 29.30         | 43.15              | 136.30       | 63.84             | -           | 197.96    | (0.39)                 | (4.57)                 | 4.19                  | -                    | 100               |
| 8       | Chembond Water Technologies (Thailand) Company Limited | 06.02.20                                                    |                              | THB***             | 91.60         | (5.69)             | 86.86        | 0.95              | -           | 0.01      | (5.69)                 | -                      | (5.69)                | -                    | 100               |
| 9       | Chembond Water Technologies Limited                    | 12.12.84                                                    |                              | INR                | 50.00         | 6,868.21           | 8,880.74     | 1,962.54          | 1,273.87    | 16,662.37 | 1,133.05               | 298.72                 | 834.33                | 100                  | 100               |
| 10      | Gramos Chemicals India Private Limited                 | 17.11.17                                                    |                              | INR                | 48.00         | 924.21             | 1,290.50     | 318.29            | 427.98      | 793.15    | (83.62)                | 9.63                   | (93.25)               | -                    | 100               |
| 11      | Phiroze Sethna Private Limited                         | 17.11.17                                                    |                              | INR                | 4.00          | 795.14             | 1,408.55     | 609.40            | 353.93      | 2,280.60  | (311.19)               | 7.10                   | (318.29)              | -                    | 100               |

\$ Step-down subsidiary Company of your Company.

\*\*Malaysia Ringgit - 1 RM = INR 17.85 as on 31.03.2022.

\*\*\* Thai Baht - 1 THB = INR 2.27 as on 31.03.2022

1. Name of Subsidiaries which are yet to commence operations: None

2. Names of Subsidiaries which have been liquidated and sold during the year: None

On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman and Managing Director

sd/-

**Nirmal V. Shah**

VC and Managing Director

Mumbai

14<sup>th</sup> May, 2022

## Annexure 3

**Information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**a) Ratio of remuneration of each Director to the median employee's remuneration for the financial year.**

| Name           | Designation                         | Ratio to median remuneration |
|----------------|-------------------------------------|------------------------------|
| Sameer V. Shah | Chairman and Managing Director      | 16.33                        |
| Nirmal V. Shah | Vice Chairman and Managing Director | 8.89                         |

**b) Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary.**

| Name            | Designation                         | % increase |
|-----------------|-------------------------------------|------------|
| Sameer V. Shah  | Chairman and Managing Director      | 19.1%      |
| Nirmal V. Shah  | Vice Chairman and Managing Director | 17.5%      |
| Rashmi S. Gavli | Chief Financial Officer             | 12%        |
| Suchita Singh   | Company Secretary                   | 14%        |

*Note:- During the year under review, Mrs. Rashmi S. Gavli – Chief Financial Officer was paid remuneration of ₹55.65 lakhs and Mrs. Suchita Singh – Company Secretary was paid remuneration of ₹14.74 lakhs.*

**c) The percentage increase in the median remuneration of employees: 7.87%**

**d) The number of permanent employees: 104**

The number of permanent employees has decreased due to inter-company transfer of the employees within the group. The total employees at group level is 1260.

**e) Average percentile increase made in the salaries of employees other than key managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average increase made in the salaries of employees other than key managerial personnel during the year is 12% versus 15.70% increase in managerial remuneration.

There are no other exceptional circumstances for increase in the remuneration of key managerial personnel and increase in remuneration has been in accordance with the Company's policies. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time.

**f) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.**

On behalf of the Board

sd/-  
**Sameer V. Shah**  
 Chairman and Managing Director

sd/-  
**Nirmal V. Shah**  
 VC and Managing Director

Mumbai  
 14<sup>th</sup> May, 2022



## Annexure 4

## CERTIFICATE OF CORPORATE GOVERNANCE

To,  
The Members of **Chembond Chemicals Limited**

I have examined the compliance of Corporate Governance by **Chembond Chemicals Limited** ('the Company') for the year ended 31<sup>st</sup> March, 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31<sup>st</sup> March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I am of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 14<sup>th</sup> May, 2022  
Place: Mumbai  
**UDIN: A001157D000320619**

sd/-  
**Virendra G. Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157 / COP No.: 124**  
**Peer Review Cert. No.: 1439/2021**

**Note:**  
*I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Report.*

## Annexure 5

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22**  
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. Brief outline on CSR Policy of the Company:**

The Company has done various CSR activities through Visan Trust in the areas of education to underprivileged children, healthcare, women empowerment, health training and vocational training center etc. Some of the Projects are Visan Trust Girls Education Project and Chembond Children's Centre which runs non-formal education centres at Pasthal and Shirgaon near Tarapur.

**2. Composition of CSR Committee:**

| Sr. No. | Name of Director     | Designation/ Nature of Directorship  | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1       | Nirmal V. Shah       | Chairman /VC & Managing Director     | 2                                                        | 2                                                            |
| 2       | Ashwin R. Nagarwadia | Member /Non-Executive Director       | 2                                                        | 1                                                            |
| 3       | Sushil U. Lakhani    | Member /Independent Director         | 2                                                        | 2                                                            |
| 4       | Sameer V. Shah       | Member /Chairman & Managing Director | 2                                                        | 2                                                            |
| 5       | Mahendra Ghelani*    | Member /Independent Director         | 1                                                        | 1                                                            |

\* Appointed w.e.f. 30<sup>th</sup> October, 2021

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

The web links are as follows:

- Composition of CSR Committee: <https://www.chembondindia.com/composition-of-committees.html>
- CSR Policy: <https://www.chembondindia.com/policy.html>
- CSR projects approved by the Board: <https://www.chembondindia.com/policy.html>

**4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

| Sr. No | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|--------|----------------|--------------------------------------------------------------------|---------------------------------------------------------------------|
| 1      | -              | Nil                                                                | Nil                                                                 |

**6. Average net profit of the Company as per section 135(5): ₹451.27 lakhs****7. (a) Two percent of average net profit of the company as per section 135(5): ₹9.03 lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹9.03 lakhs

## 8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the financial year (₹ in Lakhs) | Amount Unspent ( ₹ in Lakhs)                                          |                  |                                                                                                     |        |                  |
|--------------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                        | Total Amount transferred to Unspent CSR Account as per Section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) |        |                  |
|                                                        | Amount                                                                | Date of transfer | Name of the Fund                                                                                    | Amount | Date of transfer |
| 9.03                                                   | Nil                                                                   | NA               | NA                                                                                                  | Nil    | NA               |

## (b) Details of CSR amount spent against ongoing projects for the financial year:

| 1       | 2                   | 3                                                           | 4                   | 5                       | 6                | 7                                             | 8                                                       | 9                                                                                            | 10                                       | 11                                                   |
|---------|---------------------|-------------------------------------------------------------|---------------------|-------------------------|------------------|-----------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | Project duration | Amount allocated for the project (₹ in lakhs) | Amount spent in the current financial Year (₹ in lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakhs) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |
|         |                     |                                                             |                     | State District          |                  |                                               |                                                         |                                                                                              |                                          | Name CSR Registration number                         |
|         | -                   | -                                                           | -                   | -                       | -                | Nil                                           | Nil                                                     | -                                                                                            | -                                        | -                                                    |

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| 1       | 2                                                                 | 3                                                           | 4                    | 5                       | 6                                         | 7                                        | 8                                                    |
|---------|-------------------------------------------------------------------|-------------------------------------------------------------|----------------------|-------------------------|-------------------------------------------|------------------------------------------|------------------------------------------------------|
| Sr. No. | Name of the Project                                               | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project | Amount spent for the project (₹ in lakhs) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency |
|         |                                                                   |                                                             |                      | State District          |                                           |                                          | Name CSR Registration number                         |
| 1.      | Promotion of Education, Women empowerment and vocational training | (ii), (iii) and (vii)                                       | Yes                  | Maharashtra Palghar     | 9.03                                      | No                                       | Visan Trust CSR00009446                              |
|         | <b>TOTAL</b>                                                      |                                                             |                      |                         | <b>9.03</b>                               |                                          |                                                      |

## (d) Amount spent in Administrative Overheads: Nil

## (e) Amount spent on Impact Assessment, if applicable: NA

## (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹9.03 Lakhs

## (g) Excess amount for set off, if any:

| Sr. No. | Particular                                                                                                  | Amount (₹ in lakhs) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 9.03                |
| (ii)    | Total amount spent for the Financial Year                                                                   | 9.03                |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | Nil                 |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil                 |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Nil                 |

## 9. (a) Details of unspent CSR amount for the preceding three financial years: Nil

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

**(a) Date of creation or acquisition of the capital asset(s):** NA

**(b) Amount of CSR spent for creation or acquisition of capital asset:** NA

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:** NA

**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** NA

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):** NA

sd/-

**Sameer V. Shah**

Chairman and Managing Director

sd/-

**Nirmal V. Shah**

Chairman, CSR Committee

Mumbai

14<sup>th</sup> May, 2022

## Annexure 6

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

Particulars required under Section 134 of the Companies Act, 2013 including rules framed there under:-

## (A) Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

The Company continues measures to reduce energy consumption at its plants and offices by improving energy intensive manufacturing process.

- (ii) The steps taken by the Company for utilizing alternate sources of energy:

The Company has installed solar power systems at its head office.

- (iii) The capital investment on energy conservation equipment: Nil

## (B) Technology Absorption

- (i) **The efforts made towards Technology Absorption:**

The Company has an on-going process of Research & Development and the Company continues its efforts to assimilate group technology for introducing new products and improving product quality. The management is focused on introduction of high-end technology within the country and abroad.

- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**  
In view of the measures taken by the Company, the consumption of energy reduced by satisfactory levels.

- (iii) **In case of imported technology (imported during the last three years reckoned from beginning of the financial year):**

The details of technology imported:

The year of import:

Whether the technology has been fully absorbed:

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

} NA

- (iv) **The expenditure incurred on Research & Development**

(₹ in Lakhs)

| Particulars         | 2021-22      | 2020-21      |
|---------------------|--------------|--------------|
| Revenue Expenditure | 86.37        | 86.79        |
| Capital Expenditure | 0.05         | 3.74         |
| <b>Total</b>        | <b>86.42</b> | <b>90.53</b> |

## (C) Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

| Particulars                                              | 2021-22 | 2020-21 |
|----------------------------------------------------------|---------|---------|
| Total Foreign Exchange Earned in terms of actual inflows | 2.61    | 14.51   |
| Total Foreign Exchange Outgo in terms of actual outflows | 316.10  | 184.82  |

## On behalf of the Board

sd/-

**Sameer V. Shah**

Chairman and Managing Director

sd/-

**Nirmal V. Shah**

VC and Managing Director

Mumbai

14<sup>th</sup> May, 2022



## Annexure 7

### Business Responsibility Report

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identification Number (CIN) of the Company: L24100MH1975PLC018235
- Name of the Company: Chembond Chemicals Limited
- Registered address: Chembond Centre, EL 71, MIDC, Mahape, Navi Mumbai, Maharashtra – 400710
- Website: [www.chembondindia.com](http://www.chembondindia.com)
- E-mail id: [cs@chembondindia.com](mailto:cs@chembondindia.com)
- Financial Year reported: 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022
- Sector(s) that the Company is engaged in (industrial activity code-wise):

| NIC Code of the Product | Description                                      |
|-------------------------|--------------------------------------------------|
| 2029                    | Manufacturing of Chemicals and Chemical products |

- List three key products/services that the Company manufactures/provides (as in balance sheet): Specialty Chemicals
- Total number of locations where business activity is undertaken by the Company:
  - Number of International Locations: 2 (Malaysia and Thailand) (Subsidiary Companies)
  - Number of National Locations:
    - Manufacturing Facilities: 7
    - R&D Centre: 2
    - Depot: 3
    - Offices: 6
- Markets served by the Company: National and International

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital: ₹672.41 lakhs
- Total Turnover (Gross): ₹4,616.64 lakhs

- Total Profit after Taxes: ₹874.37 lakhs
- Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%): 1.18%
- List of Activities in which expenditure in 4 as above has been incurred: A Children's Centre has been established in Village Pasthan and Shirgaon near Tarapur which provides education to economically underserved sections, especially girls.

#### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? Yes
- Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): Yes, 1 subsidiary participated through its CSR policy / initiatives.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No

#### SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

- Details of Director responsible for BR
  - Details of the Director/Directors responsible for implementation of the BR policy/policies: The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The details of the Committee are provided in the Corporate Governance section of this Report.
  - Details of BR head: The CSR committee of the parent company is under the Chairmanship of Mr. Nirmal V. Shah (DIN: 00083853), Vice Chairman and Managing Director; Tel No.: 022 6264 3000; Email: [cs@chembondindia.com](mailto:cs@chembondindia.com)

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/Policies: As per the NVG guidelines released by the Ministry of Corporate Affairs, we have adopted 9 areas of Business Responsibility, which are as under:

|                  |                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principle 1 (P1) | Business should conduct and govern themselves with Ethics, Transparency and Accountability                                                                   |
| Principle 2 (P2) | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                      |
| Principle 3 (P3) | Businesses should promote the well-being of all employees                                                                                                    |
| Principle 4 (P4) | Businesses should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| Principle 5 (P5) | Businesses should respect and promote human rights                                                                                                           |
| Principle 6 (P6) | Businesses should respect, protect and make efforts to restore the environment                                                                               |
| Principle 7 (P7) | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner                                                   |
| Principle 8 (P8) | Businesses should support inclusive growth and equitable development                                                                                         |
| Principle 9 (P9) | Businesses should engage with, and provide value to, their customers and consumers in a responsible manner                                                   |

Details of compliance (Reply Y/N):

| Questions                                                                                                                  | P1                                                                                                                | P2                     | P3               | P4                      | P5           | P6                           | P7            | P8  | P9               |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------|------------------|-------------------------|--------------|------------------------------|---------------|-----|------------------|
|                                                                                                                            | Business                                                                                                          | Product Responsibility | Employee welfare | Stakeholders Engagement | Human Rights | Safety, Health & Environment | Public Policy | CSR | Customer centric |
| Do you have policies for                                                                                                   | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
| Has the policy been formulated in consultation with relevant stakeholders?                                                 | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
| Does the policy conform to any national / international standards? If yes, specify (50 words)                              | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
|                                                                                                                            | Policies have been formulated in accordance with laws of the land and in compliance with regulatory requirements. |                        |                  |                         |              |                              |               |     |                  |
| Has the policy been approved by the Board? If yes, has it been signed by MD /owner /CEO /appropriate Board Director?       | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
|                                                                                                                            | Yes, all policies are approved by the Company's Board / Committee and signed by the Authorized person.            |                        |                  |                         |              |                              |               |     |                  |
| Does the company have a specified committee of the Board / Director /Official to oversee implementation of the policy?     | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
| Indicate the link for the policy to be viewed online                                                                       | <a href="https://www.chembondindia.com/policy.html">https://www.chembondindia.com/policy.html</a>                 |                        |                  |                         |              |                              |               |     |                  |
| Has the policy been communicated to all relevant internal & external stakeholders?                                         | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
| Does the company have in-house structure to implement the policy/policies?                                                 | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
| Is there a grievance redressal mechanism in place w.r.t policies to address stakeholders' grievances related to them?      | Y                                                                                                                 | Y                      | Y                | Y                       | Y            | Y                            | N             | Y   | Y                |
| Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency? | N                                                                                                                 | Y                      | Y                | N                       | Y            | Y                            | N             | N   | Y                |

If answer to any principle, is 'No', please explain why: (Tick up to 2 options)

| Particulars                                                                                                                       | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|
| The company has not understood the Principles                                                                                     | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | -  | -  | -  | -  | -  | -  | √  | -  | -  |
| The company does not have financial or manpower resources available for the task                                                  | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| It is planned to be done within next 6 months                                                                                     | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| It is planned to be done within the next 1 year                                                                                   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| Any other reason (please specify)                                                                                                 | -  | -  | -  | -  | -  | -  | √  | -  | -  |
| Not applicable to the Company                                                                                                     |    |    |    |    |    |    |    |    |    |

### 3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, Less than 1 year: The BR performance is reviewed Annually.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR is attached to the respective Annual Report of the Company for every financial year. The Annual Report of the Company is available at the website of the Company at <https://www.chembondindia.com/annual-report.html>

- b. Cooling water treatment chemicals – help deliver water and energy savings in plants.

- c. Material treatment chemicals – help save energy through low temperature phosphating chemicals.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Logistics cost savings where possible have been achieved by combining material dispatches across the company's plants.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Each m3 of concrete produced using water reducing admixture saves up to 20% of water used in concrete made without using water reducing admixture. Each kilometre of 10 metre width concrete surface treated with curing compound saves up to 30 kilolitres of water during concrete curing phase.

Each m3 of recirculating cooling water reused reduces the energy consumption of freshwater intake pumps proportionately. Each m3 of water reused also reduces up to 85% of freshwater intake.

Each degree of heat reduced in phosphating batch for metal treatment directly reduces energy consumption to heat the bath to a higher degree.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Beyond logistics optimization and moving away from environmentally hazardous substances, the Company's sustainable sourcing initiatives are still a work-in-progress.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Business Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company's Corporate Governance principles are based on accountability, transparency and ethical conduct which is an integral part of our value system. There are defined set of policies and guidelines which are put in place and applicable to the entire Group.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During FY 2021-22 Nil complaints were received from shareholders / whistle blowers.

### Principle 2: Product Responsibility

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a. Concrete admixtures and curing compounds – help save water used in concrete and during its curing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company sources food for its personnel at some of its locations from communities surrounding the location. It contributes to their improvement through education on enhanced hygiene and staff training. It also employs local contractors where possible to supply rent a car service. For some of the small and localized raw material suppliers to the Company, safety and environment awareness training is imparted by the Company.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company recycles > 95% packing material at all plants directly or through a sub-contractor.  
100% food waste is composted at the plant and used in landscape fertilization.

100% sewage water is treated and reused for landscaping at the plant.

### Principle 3: Employee Welfare

1. Please indicate the Total number of employees: 118
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 6
3. Please indicate the Number of permanent women employees. 11
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association? NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - a. Permanent Employees – 85%
  - b. Permanent Women Employees – 84%
  - c. Casual/Temporary/Contractual Employees – 82%
  - d. Employees with Disabilities - Nil

### Principle 4: Stakeholders Engagement

1. Has the Company mapped its internal and external stakeholders? - Yes
2. Out of the above, has the Company identified disadvantaged, vulnerable & marginalized stakeholders - Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company acknowledges its responsibility towards its stakeholders and connects with them on regular basis. We endeavor to understand their concerns and resolve differences with stakeholders in a just, fair and equitable manner.

### Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Employee and welfare related policies of the Company are extended to Subsidiary / Step down subsidiaries and Joint Venture Companies of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil complaints were received in the period under review.

### Principle 6: Safety, Health and Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others

The policy related to P6 is extended to subsidiary/step-down subsidiary/Joint Ventures of the Company.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. - No
3. Does the Company identify and assess potential environmental risks? - Yes, the Company has an ISO 14001 certification and conducts Environmental Impact Assessments.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. Yes, the Company generates and uses electricity from a captive 285KW rooftop solar power unit at its Registered Office.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, they are well within the guidelines and regulations as per local pollution control requirements / environmental returns.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - None

#### Principle 7: Policy Advocacy

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Indian Chemical Council, National Safety Council, Small Scale Entrepreneurs Association, Tarapur Industrial Manufacturers Association, Chemicals Export Promotion Council, Gujarat Safety Council, The Fertiliser Association of India, Thane Belapur Industries Association, CLFMA of India, Indian Federation of Animal Health Companies, Construction Chemicals Manufacturers Association, etc.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

These are ongoing activities of the associations and we participate in these initiatives through our membership in them.

#### Principle 8: Corporate Social Responsibility

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, Company carries out CSR activities through Visan Trust. Some of the activities carried by the trust are Children's Centre providing education to economically underserved sections, specially girls, Women Empowerment and Vocational Training.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Company undertakes these programmes through Visan Trust. The Company also contributes to a few select projects in skill development and healthcare segments undertaken by independent NGO's/welfare trusts whenever necessary.

3. Have you done any impact assessment of your initiative?

The Chairman of the CSR committee keeps a check on the programmes and initiatives of the Trust.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Company and its subsidiary company contribute minimum of 2% of its last three years average net profits on CSR expenditure for undertaking the projects mentioned above. The details of the expenditure are given in the CSR Report which forms part of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, Company ensures that the funds contributed to Visan Trust are allocated by the trust only for the cause enlisted.

#### Principle 9: Customer Centric

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes, product information as mandated by local laws is mentioned on product labels.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. - No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company regularly interacts with customers to understand and serve their needs. Feedback from them is analyzed and incorporated into our actions to enhance the quality and delivery of our products and services to customers.

For and on behalf of the Board

sd/-

**Sameer V. Shah**

Chairman and Managing Director

Place: Mumbai

Date: 14<sup>th</sup> May, 2022



## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2022 as per Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), in the prescribed format is given below:

### Company's Philosophy on Corporate Governance

Corporate Governance is an integral part of our system improving productivity and expansion and enhancing investor confidence. The Company's philosophy underlying Corporate Governance seeks to create a system of "Checks and balances" based on transparency, integrity, clarity and consistency in the dealings of the Company with its stakeholders. Good Governance ensures that the best corporate practices are followed by the Company. Implementation of good governance indicates not only the compliance of the Laws and Regulations of the land but also indicates the values, practices, and culture of your organization. Your Company is committed to adopt the best Corporate Governance practices and endeavors continuing to implement the code of Corporate Governance in its true spirit. Your Company has made Corporate Governance a practice and a process of development right across the Organization.

The Company's Governance Structure comprises of the Board of Directors and Committees of the Board, which function on the principles of prompt decision making, statutory compliance, accurate and timely disclosures,

transparency and monitoring in order to create a value addition for its stakeholders.

The Company emphasizes the need for full transparency and accountability and conducting its business in a highly professional and ethical manner.

### Board of Directors

The Company is managed by the Board of Directors. The Board formulates strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors are responsible for day-to-day operations of the Company.

The Board has 7 Directors as on 31<sup>st</sup> March, 2022. The Board of Directors of the Company comprises of a fair combination of Executive (2 Directors i.e. 30%), Non-executive (1 Director i.e. 10%) and Independent Directors (4 Directors i.e. 60%) including Women Director with diverse professional background complying with the provisions of Sections 149 and 152 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations.

None of the Directors on the Board:

- hold directorships in more than ten public companies;
- serve as Director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serve as independent directors in more than three listed entities.

### a) The composition of the Board as on 31<sup>st</sup> March, 2022 and details of Board and Annual General Meetings held, the attendance of the Directors, Committee Chairmanship / Directorship etc. is as follows:

| Name of the Directors               | PD / NPD* | ED / NED / ID / NID* | No. of Board Meetings |          | Attendance at last AGM | Other Companies as on 31 <sup>st</sup> March 2022 |                       |                           |                             | Directorship in other listed entity (Category of Directorship) |
|-------------------------------------|-----------|----------------------|-----------------------|----------|------------------------|---------------------------------------------------|-----------------------|---------------------------|-----------------------------|----------------------------------------------------------------|
|                                     |           |                      | Held                  | Attended |                        | Board Directorship **                             | Board Chairmanship ** | Committee Memberships *** | Committee Chairmanships *** |                                                                |
| Sameer V. Shah (DIN:00105721)       | PD        | ED / NID             | 4                     | 4        | Yes                    | 12                                                | -                     | -                         | -                           | -                                                              |
| Nirmal V. Shah (DIN:00083853)       | PD        | ED / NID             | 4                     | 4        | Yes                    | 12                                                | -                     | 1                         | 1                           | -                                                              |
| Ashwin R. Nagarwadia (DIN:00466681) | PD        | NED / NID            | 4                     | 3        | Yes                    | 6                                                 | -                     | -                         | -                           | -                                                              |
| Mahendra K. Ghelani (DIN:01108297)  | NPD       | NED / ID             | 4                     | 4        | Yes                    | 4                                                 | -                     | 1                         | -                           | -                                                              |
| Sushil U. Lakhani (DIN:01578957)    | NPD       | NED / ID             | 4                     | 4        | Yes                    | 2                                                 | -                     | -                         | -                           | -                                                              |
| Saraswati Sankar (DIN:07133249)     | NPD       | NED / ID             | 4                     | 3        | Yes                    | 1                                                 | -                     | -                         | -                           | -                                                              |
| Prakash D. Trivedi (DIN:00231288)   | NPD       | NED / ID             | 4                     | 4        | Yes                    | 1                                                 | -                     | -                         | -                           | -                                                              |

\* PD – Promoter Director, NPD – Non-promoter Director, ED – Executive Director, NED – Non-executive Director, ID – Independent Director, NID – Non-independent Director

\*\* Directorships in Foreign Companies and Companies under Section 8 of the Act are excluded for this purpose.

\*\*\*Considered Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Indian Public Limited Companies.

Note : Mr. Sameer V. Shah and Mr. Nirmal V. Shah are relatives (siblings) in terms of Section 2 (77) of the Act read with Companies (Specification of Definitions Details) Rules, 2014. Apart from the above none of the Directors are in any manner related to each other.



**b) Details of Board Meetings held during the year**

| Dates of Board Meeting   | 15-May-21 | 24-Jul-21 | 30-Oct-21 | 19-Jan-22 |
|--------------------------|-----------|-----------|-----------|-----------|
| Board Strength           | 7         | 7         | 7         | 7         |
| No. of Directors Present | 7         | 6         | 7         | 6         |

**c) Skill Matrix of the Board of Directors**

Pursuant to the Listing Regulations, the Skill Matrix of the Board of Directors of your Company is given below –

| List of core skills / expertise identified by the Board of Directors | Name of Directors of the Company |                    |                          |                         |                       |                       |                        |
|----------------------------------------------------------------------|----------------------------------|--------------------|--------------------------|-------------------------|-----------------------|-----------------------|------------------------|
|                                                                      | Mr. Sameer V. Shah               | Mr. Nirmal V. Shah | Mr. Ashwin R. Nagarwadia | Mr. Mahendra K. Ghelani | Mr. Sushil U. Lakhani | Mrs. Saraswati Sankar | Dr. Prakash D. Trivedi |
| Business Strategy                                                    | ✓                                | ✓                  | ✓                        | ✓                       | ✓                     |                       | ✓                      |
| Industry Experience                                                  | ✓                                | ✓                  | ✓                        |                         |                       |                       | ✓                      |
| General Management                                                   | ✓                                | ✓                  | ✓                        | ✓                       | ✓                     | ✓                     | ✓                      |
| Accounting/Auditing                                                  |                                  |                    |                          | ✓                       | ✓                     | ✓                     |                        |
| Corporate Finance                                                    |                                  |                    |                          | ✓                       | ✓                     | ✓                     |                        |
| Legal / Secretarial / Compliance                                     |                                  |                    |                          | ✓                       | ✓                     | ✓                     |                        |
| Human Resource Management                                            | ✓                                | ✓                  | ✓                        | ✓                       | ✓                     | ✓                     | ✓                      |
| Risk Management                                                      | ✓                                | ✓                  | ✓                        | ✓                       | ✓                     | ✓                     | ✓                      |
| Information Technology                                               | ✓                                | ✓                  |                          | ✓                       | ✓                     | ✓                     |                        |
| Marketing                                                            | ✓                                | ✓                  | ✓                        |                         |                       |                       | ✓                      |

**d) Separate meeting of Independent Directors**

In accordance with the provisions of Schedule IV of the Listing Regulations a separate meeting of the Independent Directors was held during the year on 25<sup>th</sup> January, 2022 for transacting stipulated business. The meeting chaired by Mr. Mahendra K. Ghelani was attended by Mr. Sushil U. Lakhani, Dr. Prakash D. Trivedi and Mrs. Saraswati Sankar. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and the evaluation of the Members of Board.

**e) Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations and that they are independent of the Management. A formal letter of appointment to Independent Directors as provided in the Act has been issued and disclosed on the website of the Company viz. [www.chembondindia.com](http://www.chembondindia.com).

**f) Number of Independent Directorships**

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

**g) Familiarization Programme**

During the FY 2021-22 Company organized two in-house familiarization programs for the Independent Directors. The details of such Familiarization Programme for Independent Directors are disclosed on the website of the Company i.e. [www.chembondindia.com](http://www.chembondindia.com).

**h) Details of Directors being re-appointed**

Mr. Nirmal V. Shah (DIN: 00083853), Executive Director retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Mr. Sameer V. Shah (DIN: 00105721) and Mr. Nirmal V. Shah (DIN: 00083853) were appointed as Chairman and Managing Director and Vice Chairman and Managing Director respectively, for a period of 3 years w.e.f. 1<sup>st</sup> August, 2019. Their term expires on 31<sup>st</sup> July, 2022. Based on the recommendation of the Nomination and Remuneration Committee the Board of Directors at its meeting held on 14<sup>th</sup> May, 2022 approved re-appointment of Mr. Sameer V. Shah and Mr. Nirmal V. Shah as Chairman and Managing Director and Vice Chairman and Managing Director respectively, w.e.f. from 1<sup>st</sup> August, 2022 till 31<sup>st</sup> July, 2025 and remuneration payable, subject to approval of shareholders at the ensuing AGM.

A brief resume of Director re-appointed / eligible for re-appointment along with the additional information required under Regulation 36 (3) of the Listing Regulations has been provided at the end of this report.

## i) Code of Conduct

The Board has laid down a code of conduct for all the Members of the Board and senior management of the Company which is also posted on the Company's website at [www.chembondindia.com](http://www.chembondindia.com). All Board Members and senior management have complied with the code of conduct for the year ended 31<sup>st</sup> March, 2022. The Annual Report contains a declaration to this effect signed by the Chairman and Managing Director.

## Audit Committee

### A. Powers of Audit Committee:

- (i) To investigate any activity within its terms of reference;
- (ii) To seek information from any employee;
- (iii) To obtain outside legal or other professional advice; and
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

### B. Role / Terms of Reference:

- I. The role of the Audit Committee includes the following:
  - i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii. recommendation for appointment, remuneration and terms of appointment of auditors;
  - iii. approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
  - iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Act;
    - (b) changes, if any, in accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) significant adjustments made in the financial statements arising out of audit findings;
    - (e) compliance with listing and other legal requirements relating to financial statements;
    - (f) disclosure of any related party transactions;
    - (g) modified opinion(s) in the draft audit report;

- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the Company with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;

- xix. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- xxi. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder;
- xxii. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- II. The Audit Committee shall mandatorily review the following information:
  - i. management discussion and analysis of financial condition and results of operations;
  - ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. internal audit reports relating to internal control weaknesses;
  - v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
  - vi. statement of deviations:
    - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - b. annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

### C. Composition of Audit Committee and attendance of Members:

| Name of the Member  | Designation | Meetings / Attendance |           |           |           |           |
|---------------------|-------------|-----------------------|-----------|-----------|-----------|-----------|
|                     |             | 15-May-21             | 18-May-21 | 24-Jul-21 | 30-Oct-21 | 19-Jan-22 |
| Mahendra K. Ghelani | Chairman    | P                     | P         | P         | P         | P         |
| Sushil U. Lakhani   | Member      | P                     | P         | P         | P         | P         |
| Saraswati Sankar    | Member      | P                     | A         | A         | P         | P         |
| Nirmal V. Shah      | Member      | P                     | P         | P         | P         | P         |

P – Present, A - Absent

The Auditors, Internal Auditors, Managing Directors, concerned executives and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee. Mr. Mahendra K. Ghelani, Chairman of the Audit Committee attended the 46<sup>th</sup> AGM of the Company held on 23<sup>rd</sup> July, 2021.

### Nomination and Remuneration Committee

#### a. Role / Terms of Reference:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other Employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on diversity of Board of Directors;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- v. Whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors;
- vi. Providing of the following information to the shareholders in case of appointment of new Director or reappointment of a Director:
  - a. Brief resume of the Director;
  - b. Nature of expertise in specific functional areas;
  - c. Disclosure of relationships between Directors inter-se;
  - d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and
  - e. Shareholding of Non-Executive Directors.

- vii. Providing of General shareholder information in the Annual Report;
- viii. Review of HR Policies / Initiatives & senior level appointments;
- ix. Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other Employee Compensation Scheme;
- x. Frame suitable Policies and systems for implementation, take appropriate decisions

and monitor implementation of the following Regulations:

- a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- xi. recommend to the board, all remuneration, in whatever form, payable to senior management and
- xii. Perform such other functions consistent with regulatory requirements.

**b. Composition as on 31<sup>st</sup> March, 2022 of Nomination and Remuneration Committee (NRC) and Attendance of Members:**

| Name of the Member   | Designation | No. of meetings attended |           |           |
|----------------------|-------------|--------------------------|-----------|-----------|
|                      |             | 15-May-21                | 19-Jan-22 | 31-Jan-22 |
| Mahendra K. Ghelani  | Chairman    | P                        | P         | P         |
| Ashwin R. Nagarwadia | Member      | P                        | A         | P         |
| Saraswati Sankar     | Member      | P                        | P         | P         |
| Sushil U. Lakhani    | Member      | P                        | P         | A         |
| Sameer V. Shah       | Member      | P                        | P         | P         |
| Prakash D. Trivedi*  | Member      | NA                       | P         | P         |

P – Present, A – Absent, NA- Not Applicable

\*Appointed as Member of the Committee w.e.f. 30<sup>th</sup> October, 2021

Mr. Mahendra K. Ghelani, Chairman of the Nomination and Remuneration Committee attended the 46<sup>th</sup> AGM of the Company held on 23<sup>rd</sup> July, 2021.

**c. Performance Evaluation criteria for Independent Directors**

The performance evaluation criteria for Independent Directors are determined by NRC. The criteria for performance evaluation includes the areas relevant to the functioning of Independent Directors such as participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors except for the Directors who are subject to evaluation.

discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- The provisions of the Act and the Listing Regulations should be adhered to while considering the appointment of a Director or KMP or Senior Management Personnel.

**B. Independent Director (ID):**

**d. Criteria for determining qualifications, positive attributes and independence of a Director:**

**A. Appointment criteria and qualifications:**

- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The NRC has

- Appointment of IDs shall be in accordance with the provisions of the Act and as per the Listing Regulations.
- NRC to check whether a person to be nominated or appointed as an ID meets the criterion of independence as prescribed under Section 149(6) of the Act and under Regulation 25 of the Listing Regulation.
- While nominating any person to be appointed as an ID, the Committee should satisfy itself that the person gives a declaration as prescribed under the Act declaring that he/she meets the criterion of independence prescribed under the Act and Listing Regulation.

**Remuneration of Directors:**
**e. Remuneration to Directors:**

(₹ in lakhs)

| Name of Director                  | Basic | Perquisites / Allowances | Bonus | Incentive / Commission* | Sitting Fees | Total              | Service Contract / Notice Period / Severance Fees / Pension | No. of shares held as on 31.03.2022 |
|-----------------------------------|-------|--------------------------|-------|-------------------------|--------------|--------------------|-------------------------------------------------------------|-------------------------------------|
| <b>a. Executive Directors</b>     |       |                          |       |                         |              |                    |                                                             |                                     |
| Sameer V. Shah                    | 36.00 | 39.49                    | 7.20  | -                       | NA           | 82.69 <sup>^</sup> | Not liable to retire by rotation                            | 1,645,493                           |
| Nirmal V. Shah                    | 21.00 | 19.80                    | 4.20  | -                       | NA           | 45.00              | Retirement by rotation                                      | 1,753,887                           |
| <b>b. Non-Executive Directors</b> |       |                          |       |                         |              |                    |                                                             |                                     |
| Ashwin R. Nagarwadia**            | -     | -                        | -     | -                       | 3.50         | 3.50               | Retirement by rotation                                      | 500,000                             |
| Mahendra K. Ghelani               | -     | -                        | -     | -                       | 4.00         | 4.00               | \$                                                          | -                                   |
| Sushil U. Lakhani#                | -     | -                        | -     | -                       | 3.00         | 3.00               | \$                                                          | -                                   |
| Saraswati Sankar#                 | -     | -                        | -     | -                       | 1.18         | 1.18               | \$                                                          | -                                   |
| Prakash D. Trivedi #              | -     | -                        | -     | -                       | 1.75         | 1.75               | \$                                                          | -                                   |

\* During the year the Company has not paid any Commission to its Directors.

\*\* Apart from sitting fees Mr. Ashwin Nagarwadia was paid reimbursement of expenses of ₹2.50 lakhs.

\$ Being Independent Director with fixed term, not liable to retire by rotation.

# Are also paid sitting fees from subsidiary companies where they hold Directorship.

<sup>^</sup> Also includes contribution to Super Annuation Fund.

Note: 1. Currently, the Company does not have any Stock Option plan(s) / scheme(s).  
2. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

**f. Remuneration Policy**

Policy relating to remuneration for Directors, KMPs and other employees:

**A. Remuneration Process:**

- The NRC considers and determines the Remuneration Policy, based on the performance and ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate members of the Board / Management.
- NRC ensures that remuneration is based on performance benchmarks.
- NRC also ensures that the remuneration to Directors, KMPs, and Senior Management Personnel of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**B. Executive Directors:**

- Remuneration to Executive Directors are governed as per the provisions of the Act, and the Rules made thereunder and the approvals obtained from the Members of the Company. Remuneration to Chairman and Managing Director / Vice Chairman and Managing

Director is in accordance with the agreement entered with them.

**C. Non-executive Directors:**

- Criteria for making payments to Non-executive Directors is disseminated on the website of the Company at <https://www.chembondindia.com/policy.html>.
- Sitting fee, reimbursement of expenses and profit related commission:

A Director is eligible to receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof as per Section 197(5) of the Act. Independent Director shall be eligible for reimbursement of expenses, if any, for participation in the Board and other meetings and profit related commission as may be approved.

- Stock Options:

Independent Directors are not entitled to any stock option of the Company.

**g. Stakeholders' Relationship Committee**

The constitution of Stakeholders' Relationship Committee as of 31<sup>st</sup> March, 2022 is as follows:



| Name of the Member   | Designation | No. of Meetings held | No. of Meetings attended |
|----------------------|-------------|----------------------|--------------------------|
| Mahendra K. Ghelani  | Chairman    | 4                    | 4                        |
| Ashwin R. Nagarwadia | Member      | 4                    | 3                        |
| Sameer V. Shah       | Member      | 4                    | 4                        |
| Nirmal V. Shah       | Member      | 4                    | 4                        |

Mr. Mahendra K. Ghelani, Chairman of the Stakeholders' Relationship Committee attended the 46<sup>th</sup> AGM of the Company held on 23<sup>rd</sup> July, 2021.

The Committee deals with matters relating to transfer / transmission of Shares, issue of duplicate share certificates, review of shares dematerialized and matters relating to transfer of shares to IEPF account of the Government. Mrs. Suchita H. Singh, Company Secretary & Compliance Officer is responsible for coordinating all such matters and those relating to share transfer and shareholders grievances with the Registrar and Transfer Agent.

The Company has designated an e-mail id [cs@chembondindia.com](mailto:cs@chembondindia.com) exclusively for the purpose of registering complaints by investors electronically.

This e-mail id is displayed on the Company's website i.e. <http://www.chembondindia.com/investor-grievance.html>.

During the year, the Company did not receive any shareholder complaints.

#### h. Other Committees

##### A. Corporate Social Responsibility (CSR) Committee

The Composition of CSR Committee is as detailed below:

| Name of the Member   | Designation | No. of Meetings held | No. of meetings attended |
|----------------------|-------------|----------------------|--------------------------|
| Nirmal V. Shah       | Chairman    | 2                    | 2                        |
| Ashwin R. Nagarwadia | Member      | 2                    | 1                        |
| Sushil U. Lakhani    | Member      | 2                    | 2                        |
| Sameer V. Shah       | Member      | 2                    | 2                        |
| Mahendra K. Ghelani* | Member      | 2                    | 1                        |

\*Appointed as Member of the Committee w.e.f. 30<sup>th</sup> October, 2021

The CSR Committee has the power to frame the CSR policy and review it from time to time, to ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans & budget, to ensure compliance with the Company Law, Rules & Regulations governing the CSR.

#### B. Risk Management Committee (Non-Mandatory Committee)

##### i. Role / Terms of Reference:

The Committee deals with matters relating to identification and assessment of material business risk, technological risk, strategic business risk, operational risk, financial risk, human resource risk and legal & regulatory risk.

##### ii. Composition as on 31<sup>st</sup> March, 2022 of Risk Management Committee and Attendance of Members:

| Name of the Member   | Designation | Meetings/Attendance |           |           |
|----------------------|-------------|---------------------|-----------|-----------|
|                      |             | 10-May-21           | 01-Nov-21 | 31-Jan-22 |
| Sameer V. Shah       | Chairman    | P                   | P         | P         |
| Ashwin R. Nagarwadia | Member      | P                   | P         | P         |
| Mahendra K. Ghelani  | Member      | P                   | P         | P         |
| Sushil U. Lakhani    | Member      | P                   | P         | P         |

P - Present, A - Absent

#### C. Executive Committee (Non-Mandatory Committee)

The composition of Executive Committee is as detailed below:

| Name of the Member | Designation |
|--------------------|-------------|
| Sameer V. Shah     | Chairman    |
| Nirmal V. Shah     | Member      |

The Board of Directors has delegated to the Executive Committee the authority to supervise and monitor the day-to-day affairs of the Company. The Executive Committee of the Board of Directors of the Company reviews in detail the business of the Company. The Head of Departments (HOD), Business/Divisional Heads are invited to the same to present the business details / information.



#### D. Investment Committee (Non-Mandatory Committee)

The composition of Investment Committee is as detailed below:

| Name of the Member   | Designation | No. of meetings held | No. of meetings attended |
|----------------------|-------------|----------------------|--------------------------|
| Sameer V. Shah       | Chairman    | 4                    | 4                        |
| Ashwin R. Nagarwadia | Member      | 4                    | 4                        |
| Mahendra K. Ghelani  | Member      | 4                    | 3                        |
| Nirmal V. Shah       | Member      | 4                    | 4                        |
| Sushil U. Lakhani*   | Member      | 4                    | 2                        |

\*Appointed as Member of the Committee w.e.f. 30<sup>th</sup> October, 2021.

The Committee has been constituted with a view to effectively use the funds. The investment committee has a number of other responsibilities, but they are generally categorized into two key areas: developing sound investment objectives and ensuring that it is implemented efficiently and effectively.

#### Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company has a Vigil Mechanism & Whistle Blower Policy which encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual

Company.

#### General Body Meetings

i) Details of general body meetings held in last 3 years:

| YEAR | AGM / EGM     | LOCATION    | DATE       | TIME | SPECIAL RESOLUTION(S) PASSED                                                                                                                                                                           |
|------|---------------|-------------|------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2019 | Postal Ballot | Navi Mumbai | 25.03.2019 | -    | 1) Continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of 75 years.<br>2) Alteration in the Memorandum of Association.<br>3) Adoption of new Articles of Association. |

or suspected fraud or violation of the codes of conduct or policies. The Audit Committee of the Company oversees the vigil mechanism. The policy on vigil mechanism & whistle blower policy can be accessed on the Company's website [https://www.chembondindia.com/Investors/Policy/Vigil Mechanism & Whistle Blower Policy](https://www.chembondindia.com/Investors/Policy/VigilMechanism&WhistleBlowerPolicy).

#### Subsidiary and Step Down Subsidiary Companies

The Company has seven subsidiaries and four step down subsidiaries namely :

- Chembond Biosciences Limited
- Chembond Calvatis Industrial Hygiene Systems Limited
- Chembond Distribution Limited
- Chembond Material Technologies Private Limited
- Chembond Polymers and Materials Limited
- Chembond Water Technologies Limited
- Phiroze Sethna Private Limited and

#### Step-down subsidiaries

- Chembond Clean Water Technologies Limited
- Chembond Water Technologies (Malaysia) Sdn Bhd
- Chembond Water Technologies (Thailand) Co. Ltd.
- Gramos Chemicals India Private Limited

Mr. Mahendra K. Ghelani, Independent Director of Chembond Chemicals Limited is on the Board of material subsidiaries of the Company, Chembond Water Technologies Limited and Chembond Material Technologies Private Limited. The Audit Committee of the Company reviews the financial statements of the subsidiaries. The Minutes of the Board meetings of subsidiaries are placed at the Board Meetings of your

|      |     |                                                                       |            |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------|-----|-----------------------------------------------------------------------|------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2019 | AGM | EL-37, Chembond Centre, Mahape, MIDC, Navi Mumbai 400 710.            | 03.08.2019 | 2.30 p.m  | <ol style="list-style-type: none"> <li>1) Continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of 75 years.</li> <li>2) Re-appointment of Mr. Mahendra K. Ghelani (DIN: 01108297) as an Independent Director.</li> <li>3) Continuation of Directorship of Mr. Mahendra K. Ghelani (DIN: 01108297) beyond the age of 75 years.</li> <li>4) Re-appointment of Mr. Sushil U. Lakhani (DIN: 01578957) as an Independent Director.</li> <li>5) Re-appointment of Mrs. Saraswati Sankar (DIN: 07133249) as an Independent Director.</li> <li>6) Re-appointment of Dr. Prakash D. Trivedi (DIN: 00231288) as an Independent Director.</li> <li>7) Re-appointment of Mr. Sameer V. Shah (DIN:00105721) as the Chairman and Managing Director for a period of 3 years.</li> <li>8) Re-appointment of Mr. Nirmal V. Shah (DIN:00083853) as the Vice Chairman and Managing Director for a period of 3 years.</li> </ol> |
| 2020 | AGM | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | 31.07.2020 | 3.30 p.m  | <ol style="list-style-type: none"> <li>1) Continuation of Directorship of Dr. Prakash D. Trivedi (DIN: 00231288) beyond the age of 75 years as an Independent Director.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2021 | AGM | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | 23.07.2021 | 3.30 p.m. | <ol style="list-style-type: none"> <li>1) Continuation of Directorship of Mr. Ashwin Nagarwadia (DIN: 00466681) beyond the age of 75 years as a Non-Executive Director.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

- No Postal Ballot was conducted during the year.
- Person who conducted the Postal Ballot exercise: Not Applicable.
- Whether special resolutions are proposed to be conducted through postal ballot: No Special resolution is proposed to be conducted.
- Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof.
- Details of Extra Ordinary General Meeting held in last 3 years : No Extra Ordinary General Meetings were held in last 3 years.

## Means of Communication

### a. Quarterly Financial Results

The quarterly, half-yearly and yearly financial results are submitted to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) within 30 minutes after the conclusion of the Board meeting.

### b. Publication of Quarterly Financial Results

The quarterly, half-yearly and yearly financial results are published in The Free Press Journal, Navshakti, Business Standard and Mumbai Lakshdeep within the prescribed time limit, usually on the next immediate working day.

### c. Website where displayed

The results are also displayed on the website of the Company at [www.chembondindia.com](http://www.chembondindia.com) and uploaded on the website of BSE and NSE.

### d. Whether it also displays official news releases

Press Release, if any, made by the Company from time to time are also displayed on the Company's website and uploaded on the website of BSE and NSE.

### e. Presentations made to institutional investors or to the analyst

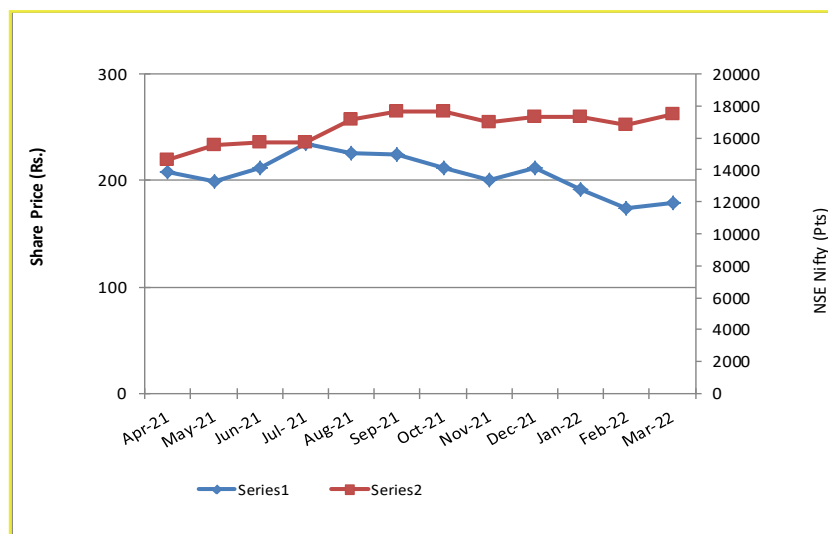
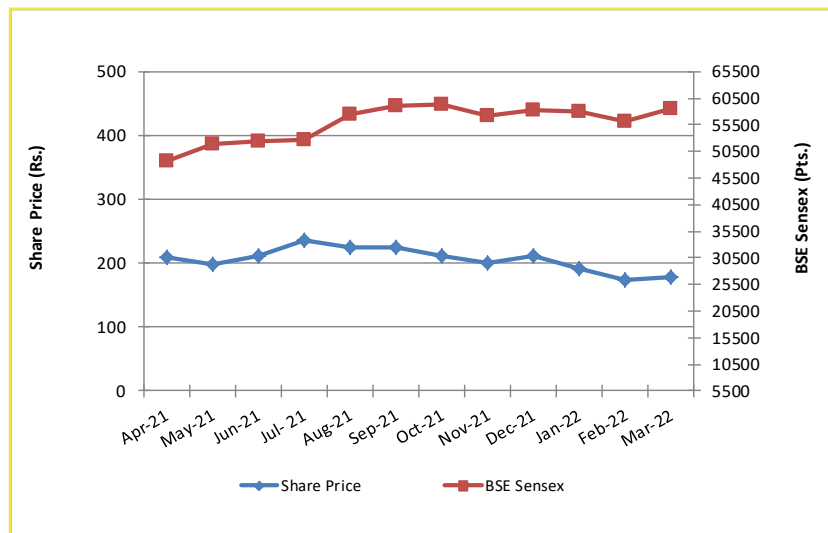
Presentations has been uploaded on the website of the Company i.e. [www.chembondindia.com](http://www.chembondindia.com).

➤ **General Shareholders Information**

|    |                                                                     |                                                                                                                                                                                                                                                         |                |                                              |                                                                                                                                                                |                |                               |
|----|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------|
| a. | Corporate Identification Number (CIN)                               | L24100MH1975PLC018235                                                                                                                                                                                                                                   |                |                                              |                                                                                                                                                                |                |                               |
| b. | Date, Time & Venue of Annual General Meeting (AGM).                 | Friday, 5 <sup>th</sup> August, 2022 at 3.30 pm. The Company is conducting meeting through VC / OAVM pursuant to the MCA circulars, hence there is no requirement to have a venue for the AGM. For more details please refer to the Notice of this AGM. |                |                                              |                                                                                                                                                                |                |                               |
| c. | Financial Year                                                      | The Financial Year covers the period from 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022                                                                                                                                                   |                |                                              |                                                                                                                                                                |                |                               |
| d. | Financial Calendar for 2022-2023 (tentative & subject to change)    | Financial Reporting for the quarter ending                                                                                                                                                                                                              |                |                                              |                                                                                                                                                                |                |                               |
|    |                                                                     | 30.06.2022                                                                                                                                                                                                                                              |                | on or before 14 <sup>th</sup> August, 2022   |                                                                                                                                                                |                |                               |
|    |                                                                     | 30.09.2022                                                                                                                                                                                                                                              |                | on or before 14 <sup>th</sup> November, 2022 |                                                                                                                                                                |                |                               |
|    |                                                                     | 31.12.2022                                                                                                                                                                                                                                              |                | on or before 14 <sup>th</sup> February, 2023 |                                                                                                                                                                |                |                               |
|    |                                                                     | 31.03.2023                                                                                                                                                                                                                                              |                | on or before 30 <sup>th</sup> May, 2023      |                                                                                                                                                                |                |                               |
| e. | Dividend Payment date                                               | Final dividend, if declared shall be paid / credited on or after Monday, 8 <sup>th</sup> August, 2022                                                                                                                                                   |                |                                              |                                                                                                                                                                |                |                               |
| f. | Listing on Stock Exchange                                           | BSE Limited & National Stock Exchange of India Limited                                                                                                                                                                                                  |                |                                              |                                                                                                                                                                |                |                               |
|    | Stock Exchange Address                                              | BSE Limited<br>P.J. Towers, Dalal Street, Fort, Mumbai – 400 001<br>Stock Code – 530871<br>National Stock Exchange of India Limited<br>Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai-400051<br>Stock Code – CHEMBOND              |                |                                              | NSE Limited<br>National Stock Exchange of India Limited<br>Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Mumbai-400051<br>Stock Code – CHEMBOND |                |                               |
|    | ISIN                                                                | INE995D01025                                                                                                                                                                                                                                            |                |                                              |                                                                                                                                                                |                |                               |
|    | Confirmation about payment of Annual Listing fee to Stock Exchanges | Listing fees paid for FY 2022-23                                                                                                                                                                                                                        |                |                                              |                                                                                                                                                                |                |                               |
| g. | <b>Market Price data</b>                                            |                                                                                                                                                                                                                                                         |                |                                              |                                                                                                                                                                |                |                               |
|    | <b>Month</b>                                                        | <b>BSE</b>                                                                                                                                                                                                                                              |                |                                              | <b>NSE</b>                                                                                                                                                     |                |                               |
|    |                                                                     | <b>High (₹)</b>                                                                                                                                                                                                                                         | <b>Low (₹)</b> | <b>Volume (No. of shares)</b>                | <b>High (₹)</b>                                                                                                                                                | <b>Low (₹)</b> | <b>Volume (No. of shares)</b> |
|    | April 2021                                                          | 232.55                                                                                                                                                                                                                                                  | 178.10         | 157,628                                      | 213.55                                                                                                                                                         | 203.85         | 1,238,063                     |
|    | May 2021                                                            | 241.00                                                                                                                                                                                                                                                  | 192.05         | 181,385                                      | 203.00                                                                                                                                                         | 198.00         | 1,322,143                     |
|    | June 2021                                                           | 229.90                                                                                                                                                                                                                                                  | 194.25         | 203,377                                      | 228.15                                                                                                                                                         | 201.50         | 1,391,280                     |
|    | July 2021                                                           | 257.50                                                                                                                                                                                                                                                  | 211.00         | 204,825                                      | 242.00                                                                                                                                                         | 233.15         | 1,954,117                     |
|    | August 2021                                                         | 265.00                                                                                                                                                                                                                                                  | 206.60         | 253,239                                      | 234.40                                                                                                                                                         | 223.85         | 1,862,053                     |
|    | September 2021                                                      | 244.95                                                                                                                                                                                                                                                  | 216.20         | 73,060                                       | 235.70                                                                                                                                                         | 223.50         | 635,681                       |
|    | October 2021                                                        | 285.00                                                                                                                                                                                                                                                  | 206.15         | 283,795                                      | 216.00                                                                                                                                                         | 206.25         | 2,285,140                     |
|    | November 2021                                                       | 229.75                                                                                                                                                                                                                                                  | 195.15         | 66,278                                       | 206.55                                                                                                                                                         | 195.50         | 584,454                       |
|    | December 2021                                                       | 240.05                                                                                                                                                                                                                                                  | 197.35         | 69,819                                       | 216.95                                                                                                                                                         | 211.00         | 483,676                       |
|    | January 2022                                                        | 228.40                                                                                                                                                                                                                                                  | 186.00         | 117,438                                      | 199.00                                                                                                                                                         | 190.45         | 755,088                       |
|    | February 2022                                                       | 208.00                                                                                                                                                                                                                                                  | 166.95         | 66,024                                       | 177.80                                                                                                                                                         | 170.10         | 322,832                       |
|    | March 2022                                                          | 198.80                                                                                                                                                                                                                                                  | 167.05         | 78,377                                       | 183.40                                                                                                                                                         | 178.00         | 547,017                       |

#### h. Chembond Share performance in comparison to broad-based indices (BSE Sensex and Nifty)

| MONTH          | Chembond Chemicals Limited |         | Sensex/Nifty (in pts.) |           |
|----------------|----------------------------|---------|------------------------|-----------|
|                | BSE (₹)                    | NSE (₹) | BSE                    | NSE       |
| April 2021     | 208.70                     | 208.70  | 48,782.36              | 14,631.10 |
| May 2021       | 199.00                     | 199.00  | 51,937.44              | 15,582.80 |
| June 2021      | 211.35                     | 211.40  | 52,482.71              | 15,721.50 |
| July 2021      | 235.20                     | 234.95  | 52,586.84              | 15,763.05 |
| August 2021    | 225.25                     | 225.20  | 57,552.39              | 17,132.20 |
| September 2021 | 225.60                     | 224.65  | 59,126.36              | 17,618.15 |
| October 2021   | 211.05                     | 212.20  | 59,306.93              | 17,671.65 |
| November 2021  | 200.35                     | 200.35  | 57,064.87              | 16,983.20 |
| December 2021  | 211.40                     | 212.30  | 58,253.82              | 17,354.05 |
| January 2022   | 191.95                     | 192.20  | 58,014.17              | 17,339.85 |
| February 2022  | 173.20                     | 174.20  | 56,247.28              | 16,793.90 |
| March 2022     | 179.00                     | 179.10  | 58,568.51              | 17,464.75 |



|    |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. | Registrar and Share Transfer Agent | TSR Consultants Private Limited (TCPL) (formerly known as TSR Darashaw Consultants Private Limited) C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400 083.<br>E-mail : <a href="mailto:csg-unit@tcplindia.co.in">csg-unit@tcplindia.co.in</a> Web <a href="http://www.tcplindia.co.in">www.tcplindia.co.in</a>                                                                                                                                                                                                                                      |
| j. | Share Transfer System              | Registrar and Transfer Agent carry out share transfer activities. Share transfers are processed and the share certificates duly endorsed are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respect. The Company obtains from a Practicing Company Secretary a yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the compliance certificate with the Stock Exchanges where the shares of the Company are listed. |

**Distribution of shareholding as on 31<sup>st</sup> March, 2022**

Distribution of shares according to size of holding

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of shares     | % of Shareholding |
|---------------------------|---------------------|-------------------|-------------------|-------------------|
| 1 – 2000                  | 10,288              | 96.88             | 19,08,559         | 14.19             |
| 2001 – 3000               | 99                  | 0.93              | 251,981           | 1.87              |
| 3001 – 4000               | 54                  | 0.51              | 1,92,571          | 1.43              |
| 4001 – 5000               | 25                  | 0.24              | 1,15,389          | 0.86              |
| 5001- 10000               | 77                  | 0.73              | 5,49,938          | 4.09              |
| 10001 – 20000             | 22                  | 0.21              | 3,20,153          | 2.38              |
| 20001 – 30000             | 18                  | 0.17              | 4,36,898          | 3.25              |
| 30001 – 40000             | 8                   | 0.08              | 2,84,704          | 2.12              |
| 40001 – 50000             | 6                   | 0.06              | 2,69,106          | 2.00              |
| 50001 – 100000            | 8                   | 0.08              | 5,99,780          | 4.46              |
| 100001 & above            | 14                  | 0.13              | 85,19,209         | 63.35             |
| <b>Total</b>              | <b>10,619</b>       | <b>100.00</b>     | <b>13,448,288</b> | <b>100.00</b>     |

**Distribution of Shares by categories of shareholders:**

| Category of Shareholding as of 31 <sup>st</sup> March, 2022              | No. of Shares     | % of total shares |
|--------------------------------------------------------------------------|-------------------|-------------------|
| Promoters & their relatives                                              | 89,13,598         | 66.28             |
| Banks/ FIs/Insurance Co. (Central/ State Govt./ Non- Govt. Institutions) | 47,600            | 0.35              |
| Corporate Bodies                                                         | 5,45,384          | 4.06              |
| NRIs/OCBs                                                                | 86,007            | 0.64              |
| IEPF Account                                                             | 31,604            | 0.24              |
| FPI-CORPS                                                                | 92,732            | 0.69              |
| Indian Public                                                            | 37,31,363         | 27.75             |
| <b>Total</b>                                                             | <b>13,448,288</b> | <b>100.00</b>     |

**Top 10 Shareholders:**

| Sr. No. | Name of the Shareholder                               | Category                   | No. of Shares | % of shareholding |
|---------|-------------------------------------------------------|----------------------------|---------------|-------------------|
| 1       | Ajay Chinubhai Laloo                                  | Individual                 | 225,164       | 1.67              |
| 2       | Awriga Capital Advisors LLP                           | LLP                        | 80,000        | 0.59              |
| 3       | Acadian Emerging Markets Micro-Cap Equity Master Fund | Foreign Portfolio Investor | 76,217        | 0.57              |
| 4       | Ara Trusteeship Company Pvt. Ltd.                     | Body Corporate             | 70,403        | 0.52              |

|    |                                         |                           |        |      |
|----|-----------------------------------------|---------------------------|--------|------|
| 5  | Shephard's Hill Private Investment Fund | Alternate Investment Fund | 64,620 | 0.48 |
| 6  | Nritya A. Laloo                         | Individual                | 49,520 | 0.37 |
| 7  | Girish Gulati (Huf)                     | Individual                | 49,046 | 0.36 |
| 8  | Dena Bank                               | Financial Institution     | 47,600 | 0.35 |
| 9  | Ara Trusteeship Company Pvt. Ltd.       | Body Corporate            | 47,086 | 0.35 |
| 10 | Nayan Arvind Shah                       | Individual                | 44,692 | 0.33 |

|                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dematerialization of shares and liquidity                                                                                                                                        | The shares of the Company are actively traded on BSE and NSE. Trading of shares is permitted only in dematerialized form. As of 31 <sup>st</sup> March, 2022, 13,223,444 equity shares are held in Demat form i.e. 98.33% of the total share capital.                                                                                                                                               |
| Details about the outstanding Global Depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity | The Company has not issued any ADR / GDR.                                                                                                                                                                                                                                                                                                                                                           |
| Commodity price risk or foreign exchange risk and hedging activities                                                                                                             | During the year ended 31 <sup>st</sup> March 2022, the Company had managed the foreign exchange risk to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes to the Standalone and Consolidated financial statements.                                                                                                                                   |
| Plant Locations                                                                                                                                                                  | 1) Plot No. E-6/3 & 4, MIDC Tarapur, Maharashtra 401 506.<br>2) Khasra177/2, Village Theda, Himachal Pradesh 174 101.<br>3) Survey No. 404/B-01, Dudhwada, Dist. Vadodara, Gujarat.<br>4) S-50, Phase III, SIPCOT, Ranipet, Tamilnadu.<br>5) W-268, TTC Area, MIDC, Rabale, Navi Mumbai, Maharashtra<br>6) Unit 2, Gat no. 226, Alandi Markal Road, Pune.<br>7) A-737/5, MIDC, Mahape, Navi Mumbai. |
| Address of Correspondence                                                                                                                                                        | Chembond Chemicals Limited<br>Chembond Centre, EL-71, MIDC Mahape, Navi Mumbai 400 710.<br>Tel: 022 6264 3000 Fax: 022 2768 1294<br>website: <a href="http://www.chembondindia.com">www.chembondindia.com</a><br>Email for Investor Grievance: <a href="mailto:cs@chembondindia.com">cs@chembondindia.com</a>                                                                                       |
| Credit Ratings                                                                                                                                                                   | Total Bank Loan – 12 Crore<br>Long term Rating – CRISIL BB+/- /Stable (Reaffirmed)<br>Short term Rating – CRISIL A2 (Reaffirmed)                                                                                                                                                                                                                                                                    |

### Other Disclosures

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

The Audit Committee of the Company has granted omnibus approval to the related party transactions and the company does not have related party transactions which have or may have potential conflict with the interest of entity at large. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company at <http://www.chembondindia.com/investors/Policy>. The necessary disclosures regarding the transactions with Related Parties are given in the notes to the Accounts. None of these transactions have potential conflict with the interest of the Company at large.

#### b. Non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange, or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There was no such instance in the last 3 years.

#### c. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Vigil Mechanism & Whistle Blower Policy and the same is available on the website of the Company i.e. <http://www.chembondindia.com/investors/Policy>. During the year there were no instances and no personnel have been denied access to the Audit Committee.



**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations for the FY 2021-22. Also, pursuant to the provisions of Regulation 34(3) of the Listing Regulations read with Part B of Schedule II to the Listing Regulations, the Chairman and Managing Director and the Chief Financial Officer (CFO) have issued a certificate to the Board for the year ended 31<sup>st</sup> March, 2022.

**e. Web link where policies for determining 'material subsidiaries' after subsidiaries change it to subsidiaries' and (ii) dealing with related party transactions are disclosed.**

The required information can be accessed from the Company's website <http://www.chembondindia.com/policy.html>.

**f. Disclosure of commodity price risks or commodity hedging activities.**

No funds have been raised through preferential allotment or qualified institutional placement.

**g. A certificate from a Company Secretary in practice that none of the Directors on The Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The certificate from Mr. Virendra G. Bhatt, Practicing Company Secretary forms part of this Report.

**h. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.**

No such disclosure.

**i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part ₹26.59 lakhs for F.Y. 2021-22.**

**j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

a. Number of complaints filed during the financial

year - 0

- b. Number of complaints disposed of during the financial year – 0
- c. Number of complaints pending as on end of the financial year – 0.

**Details of non-compliance of any requirement of Corporate Governance report or sub-paras (2) to (10) above, with reasons thereof:**

There is no non-compliance with any requirement of Corporate Governance Report of sub-paras (2) to (10) of the Corporate Governance report as given in Schedule V of the Listing Regulation. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations, have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at [www.chembondindia.com](http://www.chembondindia.com).

The non-mandatory requirements as stipulated in Part E of Schedule II of the Listing Regulations have been adopted to the extent and in the manner as stated under the appropriate headings in this Report.

► **Discretionary Requirements**

i) The Board

The Board has an Executive Chairman and his office with required facilities is provided and maintained by the Company.

ii) Shareholders Rights

Financial Results for the half year / quarter ended 30<sup>th</sup> September, 2021, were published in The Free Press Journal and NavShakti newspapers and were also displayed on the website of the Company [www.chembondindia.com](http://www.chembondindia.com) and disseminated to BSE and NSE of where its equity shares are listed, hence separately not circulated to shareholders.

iii) Audit Qualifications

There is no audit qualification.

iv) Reporting of Internal Auditors

The Internal Auditors report directly to the Audit Committee for its review.

**Legal Proceedings**

As on 31<sup>st</sup> March, 2022 there are no pending cases against the Company, in any courts and hence no contingent liability has been provided.

**Disclosure by listed entity and its subsidiaries of Loans and Advances in nature of loans to firms / companies in which directors are interested by name and amount.**

Neither the Company nor any of its subsidiaries have given loan and advances in the nature of loans to firms / companies in which Directors are interested excluding its subsidiaries.

**Unpaid / Unclaimed Dividend**

The Company has issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend for the FY 2014-15 whose dividends remain unclaimed, as is customarily sent by the Company every year, before crediting the balance Unclaimed Dividend Amount to the IEPF. A statement showing the year / month(s) in which unpaid/unclaimed dividend(s) is / are due for transfer to the IEPF is given below:

| Dividend Particulars   | Rate ₹ | Date of Declaration | Due Date for Transfer to IEPF |
|------------------------|--------|---------------------|-------------------------------|
| FY 2014 - 15           | 3.00   | 08/08/2015          | 07/09/2022                    |
| FY 2015 - 16 (Interim) | 6.00   | 05/11/2015          | 04/12/2022                    |
| FY 2015 - 16 (Interim) | 3.00   | 10/03/2016          | 09/04/2023                    |
| FY 2016 - 17           | 1.65   | 24/06/2017          | 23/07/2024                    |
| FY 2017-18             | 1.85   | 11/08/2018          | 10/09/2025                    |
| FY 2018 - 19           | 2.00   | 03/08/2019          | 02/09/2026                    |
| FY 2019 -20 (Interim)  | 2.00   | 05/03/2020          | 04/04/2027                    |
| FY 2020-21             | 2.25   | 23/07/2021          | 22/08/2028                    |

**19. Equity Shares in Suspense Account**

There are no shares in Suspense account.

# 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 of  
**Chembond Chemicals Limited**  
Plot No.: EL-71, Chembond Centre,  
MIDC, Mahape, Navi Mumbai– 400710

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Chembond Chemicals Limited** having CIN: L24100MH1975PLC018235 and having Registered Office at Plot No.: EL-71, Chembond Centre, MIDC, Mahape, Navi Mumbai– 400710 (hereinafter referred to as “the Company”), produced before me 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2022 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

| Sr. No. | Name of the Director      | DIN      | Date of Appointment at current Designation | Original Date of Appointment |
|---------|---------------------------|----------|--------------------------------------------|------------------------------|
| 1       | Nirmal Vinod Shah         | 00083853 | 28/07/2012                                 | 10/01/2000                   |
| 2       | Sameer Vinod Shah         | 00105721 | 18/08/2007                                 | 10/01/2000                   |
| 3       | Prakash Druman Trivedi    | 00231288 | 08/08/2015                                 | 21/05/2015                   |
| 4       | Ashwin Ratilal Nagarwadia | 00466681 | 10/05/1994                                 | 10/05/1994                   |
| 5       | Mahendra Kalyanji Ghelani | 01108297 | 14/09/1994                                 | 14/09/1994                   |
| 6       | Sushil Uttamchand Lakhani | 01578957 | 18/09/2010                                 | 11/05/2010                   |
| 7       | Saraswati Sankar          | 07133249 | 08/08/2015                                 | 24/03/2015                   |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

**Date : 02<sup>nd</sup> May, 2022**  
**Place : Mumbai**  
**UDIN : A001157D000254839**

**Virendra G. Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157 / COP No.: 124**  
**Peer Review Cert. No.: 1439/ 2021**

**Note:**

*I have partially conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.*

## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As required under Schedule V(D) of the Listing Regulations, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31<sup>st</sup> March, 2022.

**For Chembond Chemicals Limited**  
**Sameer V. Shah**  
**Chairman & Managing Director**

**Place : Mumbai**  
**Date : 14<sup>th</sup> May, 2022**

**INFORMATION ON DIRECTOR(S) RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING.**

|                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Director                                                                                                                                                | Mr. Sameer V. Shah                                                                                                                                                                                                                                                                                                                                                                                                                                           | Mr. Nirmal V. Shah                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| DIN                                                                                                                                                             | 00105721                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 00083853                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Date of Birth/ Age                                                                                                                                              | 16 February, 1960/62 Years                                                                                                                                                                                                                                                                                                                                                                                                                                   | 18 <sup>th</sup> November, 1971/50 years                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Date of Appointment / last re-appointment                                                                                                                       | 1 <sup>st</sup> August, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1 <sup>st</sup> August, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Qualification                                                                                                                                                   | Chemical Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                         | Diploma in Business Management                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Expertise in specific functional area                                                                                                                           | Wide rich business experience and exposure to managing diverse businesses                                                                                                                                                                                                                                                                                                                                                                                    | More than 28 years of experience and exposure in managing diverse business and more than 21 years of experience in water treatment chemicals division.                                                                                                                                                                                                                                                                                                                         |
| No. of Shares held in the Company                                                                                                                               | 1,645,493                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,753,887                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Directorships held in other Companies                                                                                                                           | Finor Piplaj Chemicals Ltd.,<br>Chembond Water Technologies Ltd.,<br>Visan Holdings Private Ltd.,<br>Chembond Distribution Ltd.,<br>S and N Ventures Private Limited,<br>Chembond Polymers and Materials Ltd.,<br>Chembond Material Technologies Private Ltd.,<br>CCL Optoelectronics Private Ltd.,<br>Chembond Calvatis Industrial Hygiene Systems Ltd,<br>Chembond Biosciences Ltd,<br>Phiroze Sethna Private Ltd.,<br>Gramos Chemicals India Private Ltd. | Finor Piplaj Chemicals Limited.,<br>Chembond Water Technologies Ltd.,<br>Visan Holdings Private Limited,<br>Chembond Distribution Ltd.,<br>S and N Ventures Private Ltd,<br>Chembond Polymers and Materials Ltd.,<br>Chembond Material Technologies Private Ltd.,<br>Chembond Clean Water Technologies Ltd,<br>Chembond Calvatis Industrial Hygiene Systems Ltd,<br>Chembond Biosciences Limited,<br>Phiroze Sethna Private Limited,<br>Gramos Chemicals India Private Limited |
| Chairperson / Members of the Committee of the Board of Directors of the Company                                                                                 | Member of Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee,<br>Chairman of Risk Management Committee.                                                                                                                                                                                                                                                                                  | Chairman of Corporate Social Responsibility Committee, Member of Audit Committee and Stakeholders' Relationship Committee                                                                                                                                                                                                                                                                                                                                                      |
| Chairman / Member of the Committee of the Board of Directors of other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee) | -                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Member of Audit Committee in Chembond Water Technologies Limited                                                                                                                                                                                                                                                                                                                                                                                                               |
| Brief Resume                                                                                                                                                    | Mr. Sameer V. Shah has over 30 years of experience and exposure to manage diverse businesses                                                                                                                                                                                                                                                                                                                                                                 | Mr. Nirmal V. Shah has over 28 years of experience and exposure to manage diverse businesses. He has been in charge of the Water Treatment Chemical division for the past 21 years. His expertise is in Organisational Management.                                                                                                                                                                                                                                             |
| No. of Board Meetings attended during F.Y. 2021-22                                                                                                              | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company                                                                    | Mr. Nirmal V. Shah and Mr. Sameer V. Shah are siblings.                                                                                                                                                                                                                                                                                                                                                                                                      | Mr. Sameer V. Shah and Mr. Nirmal V. Shah are siblings.                                                                                                                                                                                                                                                                                                                                                                                                                        |

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Chembond Chemicals Limited**

### Report on the Audit of the Standalone Financial Statements:

#### Opinion

We have audited the standalone financial statements of Chembond Chemicals Limited ("the Company"), which comprise the standalone balance sheet as at 31<sup>st</sup> March 2022, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to note no. 48 to the standalone financial statements, which describes the effects of a fire in the Company's production facilities. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Contingent liabilities for tax matters</b><br><br>The Company has disclosed in note no. 41 to the standalone financial statements the contingent liabilities as at 31 <sup>st</sup> March, 2022 which includes disputed liabilities in respect of income tax and service tax matters.<br><br>These involve a high degree of judgement to determine the possible outcomes and estimates relating to the timing and the amount of outflows of resources embodying economic benefits. | <b>The audit procedures included but were not limited to:</b><br><br>a) Obtained the summary of all disputed tax matters of the Company and assessed the management's position through discussions.<br><br>b) Obtaining a detailed understanding of processes and controls of the Management with respect to disputed matters.<br><br>c) Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with basis and future course of action contemplated by the Company and perusing legal opinions, if any, obtained by the management.<br><br>d) Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates.<br><br>e) Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards. |

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information but does not include the standalone financial statements, consolidated financial statements and our auditor's reports thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 standalone 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 this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

### Responsibilities of management and Those Charged with Governance for the Standalone Financial Statements

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

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 standalone financial statements.

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

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 financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

1. As required by Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in "**Annexure A**", as required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c. The standalone balance sheet, the standalone statement of profit and loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022, 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 B**".
3. With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note no. 41 to the standalone financial statements;
    - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. a) The management has represented that, to the best of its knowledge and belief as disclosed in note no. 46(D), no funds have been advanced

or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(entities), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

- b) The management has represented that to the best of its knowledge and belief as disclosed in note no. 46(E), no funds have been received by the Company from any person(s) or entity(entities), including foreign entities ("Funding Parties"), with the Understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures that we have considered reasonable and appropriate in the

circumstances, nothing has come to our notice that has caused us believe that management representations under sub-clause (a) and (b) above contain any material misstatement.

- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the Company has paid and / or provided remuneration to its directors during the year ended 31<sup>st</sup> March, 2022 in accordance with the provisions of Section 197 of the Act.

**For Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

**Jatin A. Thakkar**

Partner

Membership No.: 134767

Place : Mumbai

Date : May 14, 2022

UDIN : 22134767AIZKTH2120

### Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March, 2022)

**Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Company.**

(i) (a) [A] The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

[B] The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment, under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and in the basis of our examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed under property, plant and equipment in the standalone financial statements, the lease agreements are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i) (e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of 500.00 lakhs sanctioned by a bank based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such bank and such statements are in agreement with the books of account of the Company for the respective periods except for the discrepancies as reported in note no. 47 of the standalone financial statements.

(iii) (a) The Company has provided a loan to its three subsidiary companies. The details of the same are given below:

| Particulars                                                                              | Loan<br>(₹ In lakhs) |
|------------------------------------------------------------------------------------------|----------------------|
| Aggregate amount provided/ granted during the year<br>- Subsidiaries                     | 165.00               |
| Balance outstanding as at balance sheet date in respect of above cases<br>- Subsidiaries | 1982.00              |

(b) The Company has not provided or given any guarantee, security or advances in the nature of loans during the year except the corporate guarantees given to bank on behalf of its subsidiaries. In our opinion, and according to the information and explanations given to us, the guarantees issued, investments made and terms and conditions of the grant of all loans provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the payment of interest has been specified and the receipt of interest is regular. Further, there is repayment of principal amount of loans during the year as demanded from time to time.

(d) There is no overdue amount in respect of loans granted to such companies as the loans are repayable on demand.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment except the following loans [as per clause iii(a)] granted to its three subsidiary companies:

| Particulars                                                     | Loan to subsidiaries<br>(₹ In lakhs) |
|-----------------------------------------------------------------|--------------------------------------|
| Aggregate amount of loans:                                      |                                      |
| Repayable on demand (A)                                         | 1982.00                              |
| Agreement does not specify any terms or period of repayment (B) | -                                    |
| <b>Total (A+B)</b>                                              | <b>1982.00</b>                       |
| Percentage of such loans to the total loans                     | 99.99%                               |

- (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, in respect of loans, investments, guarantees, and security given for the year under report.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) On the basis of explanation and representation given by the management and on our broad review of the cost records maintained by the Company pursuant to

the Companies (cost records and audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, we are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) As per information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, profession tax, Goods and Service Tax, custom duty, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been delays in deposit in a few cases which are not serious. Further, there are no undisputed amounts payable in respect of above-mentioned statutory dues which were in arrears, as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, Goods and Service Tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute except in the case of the following disputes which are pending:

| Name of statute                 | Nature of the Dues                | Amount<br>(₹ In lakhs) | Period to which the amount relates                         | Forum where dispute is pending                                                           |
|---------------------------------|-----------------------------------|------------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Income Tax Act, 1961            | Income Tax                        | 0.30                   | FY 2013-14                                                 | Commissioner of Income Tax (Appeals)                                                     |
| Income Tax Act, 1961            | Income Tax                        | 10.11                  | FY 2011-12                                                 | Commissioner of Income Tax (Appeals)                                                     |
| Income Tax Act, 1961            | Income Tax                        | 5.04                   | FY 2016-17                                                 | Commissioner of Income Tax (Appeals)                                                     |
| Finance Act, 1994 (Service Tax) | Service Tax & Cess                | 265.71                 | FY 2014-15 to FY 2017-18 (Up to June 2017)                 | Dy. Commissioner (Audit)                                                                 |
| Income Tax Act, 1961            | Demands pending for rectification | 98.35                  | FY 2006-07, FY 2010-11, FY 2011-12, FY 2014-15, FY 2017-18 | Assistant Commissioner of Income Tax Circle 6(2)(1), Central Processing Center Bengaluru |
| <b>TOTAL</b>                    |                                   | <b>379.51</b>          |                                                            |                                                                                          |

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the

basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

- (c) On the basis of records of the Company examined by us and according to the information and explanations given to us, the Company has not raised money by way of term loan during the year. Therefore, the clause 3(ix)(c) of the aforesaid Order is not applicable to the Company.
- (d) According to the information and explanations given to us including representation received from the management of the Company, and on the

basis of our audit procedures, we report that the Company has not utilized the funds raised on short term basis for long term purposes.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting

Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

- (xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one



year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under subsection (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements

of the Company. Accordingly, no comment has been included in respect of said clause under this report.

#### **For Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

#### **Jatin A. Thakkar**

Partner

Membership No.: 134767

Place : Mumbai

Date : May 14, 2022

UDIN : 22134767AIZKTH2120

### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March, 2022)

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

We have audited the internal financial controls over financial reporting of Chembond Chemicals Limited ("the Company") as of 31<sup>st</sup> March, 2022 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**

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 (the 'Guidance Note'). 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act, to the extent

applicable to an audit of internal financial controls. 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.

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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2022, 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.

#### **For Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

#### **Jatin A. Thakkar**

Partner

Membership No.: 134767

Place : Mumbai

Date : May 14, 2022

UDIN : 22134767AIZKTH2120

Standalone Balance Sheet as at 31<sup>st</sup> March 2022

|                                          | Notes | As at 31/03/2022<br>(₹ In lakhs) | As at 31/03/2021<br>(₹ In lakhs) |
|------------------------------------------|-------|----------------------------------|----------------------------------|
| <b>Assets</b>                            |       |                                  |                                  |
| <b>Non-current assets</b>                |       |                                  |                                  |
| (a) Property, Plant and Equipment        | 2     | 3,184.94                         | 3,340.90                         |
| (b) Capital work-in-progress             | 2     | 40.07                            | 42.90                            |
| (c) Other Intangible assets              | 2     | 27.54                            | 30.99                            |
| (d) Financial Assets                     |       |                                  |                                  |
| i) Investments                           | 3     | 13,260.89                        | 13,878.64                        |
| ii) Other financial assets               | 4     | 54.25                            | 44.35                            |
| (e) Income tax asset (net)               | 5     | 304.13                           | 271.77                           |
| (f) Other non-current assets             | 6     | 38.30                            | 43.68                            |
| <b>Total Non-current assets</b>          |       | <b>16,910.12</b>                 | <b>17,653.23</b>                 |
| <b>Current Assets</b>                    |       |                                  |                                  |
| (a) Inventories                          | 7     | 284.00                           | 396.25                           |
| (b) Financial Assets                     |       |                                  |                                  |
| i) Investments                           | 8     | 3,909.24                         | 3,058.68                         |
| ii) Trade receivables                    | 9     | 2,139.15                         | 1,841.41                         |
| iii) Cash and cash equivalents           | 10    | 39.80                            | 87.33                            |
| iv) Bank balances other than (iii) above | 11    | 94.56                            | 93.01                            |
| v) Loans                                 | 12    | 1,982.20                         | 1,818.59                         |
| vi) Other financial assets               | 13    | 43.87                            | 31.86                            |
| (c) Current Tax (net)                    | 14    | -                                | 13.32                            |
| (d) Other current assets                 | 15    | 65.05                            | 98.92                            |
| <b>Total current assets</b>              |       | <b>8,557.87</b>                  | <b>7,439.37</b>                  |
| <b>Total Assets</b>                      |       | <b>25,467.99</b>                 | <b>25,092.60</b>                 |
| <b>Equity and Liabilities</b>            |       |                                  |                                  |
| <b>Equity</b>                            |       |                                  |                                  |
| (a) Equity Share capital                 | 16    | 672.41                           | 672.41                           |
| (b) Other equity                         | 17    | 23,828.85                        | 23,257.87                        |
| <b>Total Equity</b>                      |       | <b>24,501.26</b>                 | <b>23,930.28</b>                 |
| <b>Liabilities</b>                       |       |                                  |                                  |
| <b>Non-Current Liabilities</b>           |       |                                  |                                  |
| (a) Provisions                           | 18    | 15.25                            | 41.04                            |
| (b) Deferred tax liabilities (net)       | 19    | 87.87                            | 122.22                           |
| <b>Total Non-current liabilities</b>     |       | <b>103.12</b>                    | <b>163.26</b>                    |
| <b>Current liabilities</b>               |       |                                  |                                  |
| (a) Financial liabilities                |       |                                  |                                  |
| i) Trade payables                        |       |                                  |                                  |
| Trade payables -MSMED                    | 20    | 24.59                            | 105.92                           |
| Trade payables -Others                   | 20    | 583.61                           | 633.32                           |
| ii) Other financial liabilities          | 21    | 148.20                           | 183.86                           |
| (b) Other current liabilities            | 22    | 94.38                            | 74.02                            |
| (c) Provisions                           | 23    | 12.83                            | 1.94                             |
| <b>Total current liabilities</b>         |       | <b>863.61</b>                    | <b>999.07</b>                    |
| <b>Total Equity and Liabilities</b>      |       | <b>25,467.99</b>                 | <b>25,092.60</b>                 |

Significant Accounting Policies and Notes on Financial Statements

1-50

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

**Standalone statement of profit and loss for the year ended 31<sup>st</sup> March 2022**

|                                                                                  | Notes | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|----------------------------------------------------------------------------------|-------|---------------------------|---------------------------|
| Revenue From Operations                                                          | 24    | 4,616.64                  | 4,203.69                  |
| Other Income                                                                     | 25    | 957.80                    | 1,191.20                  |
| <b>Total Income</b>                                                              |       | <b>5,574.44</b>           | <b>5,394.89</b>           |
| <b>Expenses :</b>                                                                |       |                           |                           |
| Cost of Materials Consumed                                                       | 26    | 1,825.07                  | 1,623.20                  |
| Purchases of Stock-in-trade                                                      | 27    | 405.23                    | 208.73                    |
| Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade    | 28    | 41.68                     | 63.81                     |
| Employee Benefits Expense                                                        | 29    | 690.29                    | 598.96                    |
| Finance Costs                                                                    | 30    | 4.82                      | 7.11                      |
| Depreciation and Amortisation expense                                            | 31    | 269.93                    | 280.46                    |
| Other Expenses                                                                   | 32    | 1,244.64                  | 1,347.72                  |
| <b>Total Expenses</b>                                                            |       | <b>4481.66</b>            | <b>4,129.99</b>           |
| <b>Profit before Exceptional items and Tax</b>                                   |       | <b>1,092.78</b>           | <b>1,264.90</b>           |
| Exceptional Items                                                                |       | -                         | -                         |
| <b>Profit before Tax</b>                                                         |       | <b>1,092.78</b>           | <b>1,264.90</b>           |
| Current Tax                                                                      |       | 252.76                    | 266.12                    |
| Deferred Tax                                                                     |       | (34.35)                   | 30.90                     |
| Short/Excess Provision                                                           |       | -                         | 0.56                      |
| <b>Total Tax Expenses</b>                                                        |       | <b>218.41</b>             | <b>297.58</b>             |
| <b>Profit for the Year</b>                                                       |       | <b>874.37</b>             | <b>967.32</b>             |
| <b>Other Comprehensive Income</b>                                                |       |                           |                           |
| 1. i) Items that will not be reclassified to profit or loss                      |       | 4.55                      | (1.65)                    |
| ii) Income Tax relating to items that will not be reclassified to profit or loss |       | (0.94)                    | 0.34                      |
| 2. i) Items that will be reclassified to profit or loss                          |       | -                         | -                         |
| ii) Income Tax relating to items that will be reclassified to profit or loss     |       | -                         | -                         |
| Other Comprehensive Income (1+2)                                                 |       | 3.62                      | (1.31)                    |
| <b>Total Comprehensive Income</b>                                                |       | <b>877.98</b>             | <b>966.00</b>             |
| <b>Earning Per Equity Share of Face Value of ₹ 5 each</b>                        | 33    |                           |                           |
| Basic (in ₹)                                                                     |       | 6.53                      | 7.18                      |
| Diluted (in ₹)                                                                   |       | 6.53                      | 7.18                      |
|                                                                                  | 1-50  |                           |                           |

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
 Chartered Accountants  
 FRN - 101046W/W100063

**Sameer V. Shah**  
 Chairman  
 & Managing Director

**Nirmal V. Shah**  
 Vice Chairman  
 & Managing Director

**Sushil U. Lakhani**  
 Director

**Jatin A. Thakkar**  
 Partner  
 Membership No. : 134767  
 Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
 Chief Financial Officer  
 Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
 Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

## (a) Equity share capital

|                                                                   | No. of Shares      | (₹ In lakhs)  |
|-------------------------------------------------------------------|--------------------|---------------|
| <b>Balance as at 31<sup>st</sup> March 2020</b>                   | <b>1,34,48,288</b> | <b>672.41</b> |
| Changes in Equity share capital due to prior period errors        | -                  | -             |
| Restated balance at the beginning of the current reporting period | -                  | -             |
| Changes in equity share capital during the current year           | -                  | -             |
| <b>Balance as at 31<sup>st</sup> March 2021</b>                   | <b>1,34,48,288</b> | <b>672.41</b> |
| Changes in Equity share capital due to prior period errors        | -                  | -             |
| Restated balance at the beginning of the current reporting period | -                  | -             |
| Changes in equity share capital during the current year           | -                  | -             |
| <b>Balance as at 31<sup>st</sup> March 2022</b>                   | <b>1,34,48,288</b> | <b>672.41</b> |

## (b) Other Equity

(₹ In lakhs)

| Particulars                                                            | Reserves and Surplus |               |                                      |                   | OCI                                             |                    |
|------------------------------------------------------------------------|----------------------|---------------|--------------------------------------|-------------------|-------------------------------------------------|--------------------|
|                                                                        | General Reserve      | Share Premium | Employees Shares Options Outstanding | Retained earnings | Remeasurements of the net defined benefit Plans | Total other equity |
| <b>Balance as at 31<sup>st</sup> March 2020</b>                        | <b>630.00</b>        | <b>613.05</b> | <b>-</b>                             | <b>21,038.43</b>  | <b>10.39</b>                                    | <b>22,291.87</b>   |
| Profit for the year                                                    |                      |               |                                      | 967.31            |                                                 | 967.31             |
| Other comprehensive income for the year                                |                      |               |                                      |                   | (1.31)                                          | (1.31)             |
| <b>Total Comprehensive Income</b>                                      | <b>-</b>             | <b>-</b>      | <b>-</b>                             | <b>967.31</b>     | <b>(1.31)</b>                                   | <b>966.00</b>      |
| Dividend Paid                                                          |                      |               |                                      | -                 |                                                 | -                  |
| Tax on Dividend Paid                                                   |                      |               |                                      | -                 |                                                 | -                  |
| Set off of Dividend Tax in respect of Dividend from Subsidiary Company |                      |               |                                      | -                 |                                                 | -                  |
| <b>Balance as at 31<sup>st</sup> March 2021</b>                        | <b>630.00</b>        | <b>613.05</b> | <b>-</b>                             | <b>22,005.75</b>  | <b>9.07</b>                                     | <b>23,257.87</b>   |
| Profit for the year                                                    |                      |               |                                      | 874.36            |                                                 | 874.36             |
| Other comprehensive income for the year                                |                      |               |                                      |                   | 3.61                                            | 3.61               |
| <b>Total Comprehensive Income</b>                                      | <b>-</b>             | <b>-</b>      | <b>-</b>                             | <b>874.36</b>     | <b>3.61</b>                                     | <b>877.98</b>      |
| Prior Period items                                                     |                      |               |                                      | 4.41              |                                                 | 4.41               |
| Dividend Paid                                                          |                      |               |                                      | 302.59            |                                                 | 302.59             |
| Tax on Dividend Paid                                                   |                      |               |                                      |                   |                                                 | -                  |
| Set off of Dividend Tax in respect of Dividend from Subsidiary Company |                      |               |                                      |                   |                                                 | -                  |
| <b>Balance as at 31<sup>st</sup> March 2022</b>                        | <b>630.00</b>        | <b>613.05</b> | <b>-</b>                             | <b>22,573.11</b>  | <b>12.69</b>                                    | <b>23,828.85</b>   |

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

**Standalone Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022**

(₹ In Lakhs)

|          |                                                                                   | 2021-22    | 2020-21    |
|----------|-----------------------------------------------------------------------------------|------------|------------|
| <b>A</b> | <b>Cash Flow from Operating Activities</b>                                        |            |            |
|          | Profit before tax                                                                 | 1,092.78   | 1,264.90   |
|          | Adjustments for :                                                                 |            |            |
|          | Depreciation and amortisation                                                     | 269.93     | 280.46     |
|          | Loss on Sale of Property, Plant & Equipment                                       | 1.55       | 5.06       |
|          | Employee ESOP compensation                                                        | -          | -          |
|          | Finance Cost                                                                      | 4.82       | 7.11       |
|          |                                                                                   | 276.30     | 292.63     |
|          | <b>Less :</b>                                                                     |            |            |
|          | Foreign Exchange Fluctuation                                                      | -          | -          |
|          | Net Gain on Investments                                                           | 333.56     | 883.90     |
|          | Profit on Sale of Property, Plant & Equipment                                     | -          | -          |
|          | Prior Period Items                                                                | 4.41       | -          |
|          | Dividend Received                                                                 | 224.42     | 3.84       |
|          |                                                                                   | (562.39)   | (887.74)   |
|          | <b>Operating Profit before working capital changes</b>                            | 806.69     | 669.79     |
|          | Adjustments for :                                                                 |            |            |
|          | Trade and Other Receivables                                                       | (444.03)   | (200.64)   |
|          | Inventories                                                                       | 112.25     | 67.37      |
|          | Trade and Other Payables                                                          | (156.69)   | 121.89     |
|          |                                                                                   | (488.47)   | (11.39)    |
|          | Cash generated from operations                                                    | 318.22     | 658.40     |
|          | Income taxes paid (Net of Refund)                                                 | (272.74)   | (277.24)   |
|          | <b>Net Cash from Operating Activities (A)</b>                                     | 45.48      | 381.16     |
| <b>B</b> | <b>Cash Flow from Investing Activities</b>                                        |            |            |
|          | Payment to acquire Property, plant & equipments                                   | (112.05)   | (63.33)    |
|          | Proceeds from Sale of Property, plant & equipments                                | 2.81       | 15.40      |
|          | Purchase of Investment                                                            | (2,682.96) | (4,045.56) |
|          | Sale of Investment                                                                | 2,783.72   | 3,797.37   |
|          | Dividend Income                                                                   | 224.42     | 3.84       |
|          | <b>Net Cash from Investing Activities (B)</b>                                     | 215.94     | (292.27)   |
| <b>C</b> | <b>Cash Flow from Financing Activities</b>                                        |            |            |
|          | Dividend paid                                                                     | (302.59)   | -          |
|          | Finance Cost                                                                      | (4.82)     | (7.11)     |
|          | <b>Net Cash from Financing Activities (C)</b>                                     | (307.41)   | (7.11)     |
|          | <b>Net (Decrease)/Increase in Cash &amp; Cash Activities (A+B+C)</b>              | (45.98)    | 81.78      |
|          | Cash and Cash Equivalents and Other Bank Balances as on Opening                   | 180.34     | 98.56      |
|          | Cash and Cash Equivalents and Other Bank Balances as on Closing (Note No.10 & 11) | 134.36     | 180.34     |

**Amendment to Ind AS 7-**

Amendment to Ind AS 7 effective from 01 April, 2017 require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet disclosure requirement. Accordingly, the Company has given the said disclosure as below:

| Particulars                   | Note No. | 1 <sup>st</sup> April 2021 | Cashflow      | Foreign Exchange Movement | 31 <sup>st</sup> March 2022 |
|-------------------------------|----------|----------------------------|---------------|---------------------------|-----------------------------|
| Current Liabilities           |          |                            |               |                           |                             |
| - Other financial liabilities |          |                            |               |                           |                             |
| Unpaid dividends              | 21       | 17.04                      | (0.47)        | -                         | 16.57                       |
| <b>Total</b>                  |          | <b>17.04</b>               | <b>(0.47)</b> | <b>-</b>                  | <b>16.57</b>                |

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### COMPANY INFORMATION:

Chembond Chemicals Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Registered office of the Company is situated at Chembond Centre, EL-71, MIDC Mahape, Navi Mumbai -400710, Maharashtra.

The Company is engaged in manufacturing of Speciality Chemicals.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements and presentation

The financial statements of the Company are prepared in Compliance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act. The Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Effective April 1, 2017 the Company has adopted all the Ind AS standards and the adoption as carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The accounting policies have been applied consistently over all the periods presented in these financial statements except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in INR, which is the company's functional currency.

#### 1.2 Summary of significant accounting policies

##### a) Property, Plant and Equipment:

Property, plant and equipment (PPE) are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any except freehold land which is carried at historical cost.

Historical cost comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

Subsequent costs are included in the asset's carrying amount or recognised 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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

##### b) Intangible Assets:

Intangible Assets are stated at historical cost less accumulated amortisation and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

##### c) Capital Work in Progress & Capital Advances:

Capital work-in-progress comprises the cost of assets that are yet not ready for their intended use at the balance sheet date. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are classified as Capital Advances under Other Non-Current Assets.

##### d) Depreciation and Amortization:

Depreciation on PPE (other than free hold and lease hold land) has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, on Straight Line Method. Freehold land is not depreciated. Leasehold land and leasehold improvements are amortized over the primary period of lease.

Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted prospectively, if appropriate.

##### e) Revenue Recognition:

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discount or rebates and



applicable taxes and duties collected on behalf of the government and which are levied on such sales.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

- i. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer as per terms of Contract.
- ii. Revenue from services is recognised pro-rata as and when services are rendered.
- iii. Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.
- iv. Dividend income from investment is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

#### **f) Lease:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### **Company as a Lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent

rentals are recognised as expenses in the periods in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term.

#### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of lease.

#### **g) Inventory:**

Inventories are valued at lower of the cost determined on weighted average basis or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.

Determination Cost of raw materials, packing materials and stores spares and consumables Stocks is determined so as to exclude from the cost, taxes and duties which are subsequently recoverable from the taxing authorities.

Cost of finished goods and work-in-progress includes the cost of materials, an appropriate allocation of overheads and other costs incurred in bringing the inventories to their present location and condition.

#### **h) Impairment of assets:**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if event or changes are indicative

in circumstances indicate that they might be impaired. Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances that indicate that the carrying amount may not be recoverable. Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An Impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

#### i) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

### 1. Financial assets

#### Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Debt instruments

- **A 'debt instrument' is measured at the amortised cost if both the following conditions are met:**
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Investments in subsidiaries, associates and joint venture

- Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

#### Equity instruments

- The Company subsequently measures all equity investments in companies/Mutual funds other than equity investments in subsidiaries, at fair value. Dividends from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established.

#### De-recognition

A financial asset derecognised only 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or

- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of IND AS 18.- The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## **2. Financial liabilities**

### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

### **Derecognition**

A financial liability is derecognised 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 derecognition 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 and loss.

## **3. Hedge accounting**

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking

hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value of cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholder's funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's funds is transferred to the statement of profit and loss.

#### j) Fair Value Measurement:

The Company's measures Financial Instruments at fair value at each Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▷ In the principal market for the asset or liability, or
- ▷ In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- ▷ All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### k) Foreign Currency and Translation balances:

Transactions in foreign currencies entered into by the Company are accounted in the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at functional currency closing rate of exchange at the reporting date. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

#### l) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### m) Income Taxes:

Income tax expenses comprises of current and deferred tax expense and is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in OCI, in which case, the tax is also recognised in directly in equity or OCI respectively.

**Current tax:**

Current tax is the amount expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

**Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**n) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the balance sheet.

**o) Employee Benefits**
**Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid. The Company does not allow any accumulation of leave balance or encashment thereof.

**Post-Employment Benefits:**
**I. Defined Contribution plans:**

Defined contribution plans are Employee's Provident Fund scheme, Employee state insurance scheme for all applicable employees and superannuation scheme for eligible employees. The Company contribution for the year paid / payable to a defined contribution plan as an expense in the Statement of Profit and Loss.

**II. Defined Benefit plans:**
**Pension Scheme:**

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

**Gratuity:**

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund) administered by LIC, towards meeting the Gratuity obligation.

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the statement of profit and loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.



**p) Research and Development**

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to PPE and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

**q) Borrowing Cost**

Borrowing costs, that are, attributable to the acquisition, construction or production of qualifying are capitalized as part of the costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**r) Earnings per share**

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

**s) Current / Non-Current Classification:**

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as 12 months and other criteria set out in the Schedule III to the Companies Act, 2013. This is based on the nature of product/services and the time taken between the acquisition of assets for processing and their realization in cash and cash equivalents.

**t) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the Company has a present obligation as a result of a past event;
- (b) a probable outflow of resources is expected to settle the obligation; and
- (c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

**Contingent liability is disclosed in case of**

- (a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (b) a present obligation when no reliable estimate is possible; and
- (c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each balance Sheet date.

**u) Key accounting estimates and judgements**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**The areas involving critical estimates or judgements are:**

- a. Estimation of taxes
- b. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life.
- c. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized
- d. Recognition and measurement of defined benefit obligations, key actuarial assumptions
- e. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- f. Fair value of financial instrument



**2 Property, plant and equipment, Intangibles and Capital work in progress as at 31<sup>st</sup> March 2022**

| Description                          | GROSS BLOCK (AT COST) |               |              | DEPRECIATION INCLUDING AMORTISATION |                 |               |             | Revaluation of assets (> 10%) | Impairment of assets | NET BLOCK        |                  |
|--------------------------------------|-----------------------|---------------|--------------|-------------------------------------|-----------------|---------------|-------------|-------------------------------|----------------------|------------------|------------------|
|                                      | As at 1.04.2021       | Additions     | Deductions   | As at 31.03.2022                    | As at 1.04.2021 | Additions     | Deductions  | As at 31.03.2022              |                      | As at 31.03.2022 | As at 31.03.2021 |
| <b>Property, plant and equipment</b> |                       |               |              |                                     |                 |               |             |                               |                      |                  |                  |
| <b>Tangible Assets</b>               |                       |               |              |                                     |                 |               |             |                               |                      |                  |                  |
| Leasehold Land                       | 61.71                 | -             | -            | 61.71                               | 4.50            | 0.90          | -           | 5.40                          | -                    | 56.31            | 57.21            |
| Freehold Land                        | 84.63                 | -             | -            | 84.63                               | -               | -             | -           | -                             | -                    | 84.63            | 84.63            |
| Buildings                            | 2,253.86              | 80.93         | -            | 2,334.79                            | 341.03          | 69.58         | -           | 410.61                        | -                    | 1,924.18         | 1,912.83         |
| Equipment & Machinery*               | 1,420.96              | 23.65         | 6.64         | 1,437.97                            | 421.68          | 135.56        | 3.79        | 553.44                        | -                    | 884.53           | 999.28           |
| Computers                            | 61.36                 | 1.55          | 4.86         | 58.06                               | 45.82           | 3.23          | 4.21        | 44.84                         | -                    | 13.22            | 15.54            |
| Furniture & Fixtures                 | 176.32                | 0.10          | 0.05         | 176.37                              | 85.79           | 16.98         | 0.03        | 102.74                        | -                    | 73.62            | 90.53            |
| Motor Cars                           | 110.99                | -             | -            | 110.99                              | 64.60           | 13.26         | -           | 77.87                         | -                    | 33.13            | 46.39            |
| Electric Fittings & Installations    | 221.32                | 3.23          | 0.91         | 223.64                              | 86.85           | 21.98         | 0.49        | 108.34                        | -                    | 115.30           | 134.47           |
| <b>Sub- total</b>                    | <b>4391.16</b>        | <b>109.47</b> | <b>12.46</b> | <b>4488.17</b>                      | <b>1,050.27</b> | <b>261.49</b> | <b>8.52</b> | <b>1303.24</b>                | <b>-</b>             | <b>3184.94</b>   | <b>3340.89</b>   |
| <b>Intangible Assets</b>             |                       |               |              |                                     |                 |               |             |                               |                      |                  |                  |
| Computer Software                    | 77.59                 | 5.00          | -            | 82.59                               | 46.60           | 8.44          | -           | 55.04                         | -                    | 27.54            | 30.99            |
| <b>Sub-total</b>                     | <b>77.59</b>          | <b>5.00</b>   | <b>-</b>     | <b>82.59</b>                        | <b>46.60</b>    | <b>8.44</b>   | <b>-</b>    | <b>55.04</b>                  | <b>-</b>             | <b>27.54</b>     | <b>30.99</b>     |
| <b>Total</b>                         | <b>4468.75</b>        | <b>114.47</b> | <b>12.46</b> | <b>4570.75</b>                      | <b>1096.87</b>  | <b>269.93</b> | <b>8.52</b> | <b>1358.28</b>                | <b>-</b>             | <b>3212.48</b>   | <b>3371.87</b>   |
| Previous Year                        | 4451.75               | 28.38         | 11.38        | 4468.74                             | 821.33          | 280.46        | 4.93        | 1096.87                       | -                    | 3371.88          | 3630.41          |
| Capital Work in Progress             | 42.90                 | 30.91         | 33.75        | 40.07                               | -               | -             | -           | -                             | -                    | 40.07            | 42.90            |

\* Additions to Equipment & Machinery Includes:- R&D Lab equipments addition for Mahape Lab-1- Nil (Previous year ₹1.43 Lacs), Dudhwada Lab-2- ₹0.05 Lacs (Previous Year ₹2.31 Lacs).

### 3 Financial Assets (Non-Current)

#### Investments

##### Investment in equity instruments of subsidiaries amortised at cost

##### Unquoted

5,00,000(5,00,000) Equity Shares of Chembond Water Technologies Ltd of ₹10/- each fully paid up. **4,887.86** 4,887.86

(Constituting 100.00%(100.00%) of the said Company's paid up capital)

15,15,000 (15,15,000) Equity Shares of Chembond Material Technologies Pvt. Ltd of ₹10/- each fully paid up **1,552.32** 1,552.32

(Constituting 100 %(100%) of the said Company's paid up capital)

19,00,000 (19,00,000) Equity Shares of Chembond Biosciences Limited of ₹10/- each fully paid up **190.00** 190.00

(Constituting 100 %(100.00%) of the said Company's paid up capital)

30,00,000 (30,00,000) Equity Shares of Chembond Polymers and Materials Limited of ₹ 1/- each fully paid up. **486.76** 486.76

(Constituting 100.00%(100.00%) of the said Company's paid up capital)

27,49,414 (27,49,414) Equity Shares of Chembond Calvatis Industrial Hygiene Systems Limited of ₹1/- each fully paid up **32.39** 32.39

(Constituting 55.00 %(55.00%) of the said Company's paid up capital)

4,000 (4,000) Equity Shares of Phiroze Sethna Private Ltd. of ₹ 100/- each fully paid up. **4,126.90** 4,126.90

(Constituting 100.00%(100.00%) of the said Company's paid up capital)

5,00,000 ( 5,00,000 ) Equity Shares of Chembond Distribution Ltd. of ₹ 1/- each fully paid up. **92.40** 92.40

(Constituting 100.00%(100.00%) of the said Company's paid up capital)

##### Other Investment carried at fair value through profit & loss (Unquoted)

2,848 (2,848) Equity Shares of Tarapur Environment Protection Organisation Ltd. of ₹ 100/- each fully paid up. **4.57** 5.08

##### Investments in Equity Shares carried at fair value through Profit and Loss

##### Quoted

15,000 (16,200)Equity Shares of Hindustan Petroleum Corporation Ltd.of ₹ 10/- each fully paid up. **41.96** 37.99

|                                                                                       | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Investments in Gilt fund carried at fair value through Profit and Loss</b>         |                                     |                                     |
| <b>Quoted</b>                                                                         |                                     |                                     |
| 1,00,991.79 (1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term-Regular plan Growth | 52.69                               | 50.85                               |
| 22,22,265.24 (22,22,265.24) Units of ICICI Prudential Short Term Gilt Fund-Growth     | 1,793.04                            | 1,723.57                            |
| <b>Other Investments</b>                                                              |                                     |                                     |
| Quoted (carried at fair value through Profit and Loss)                                |                                     |                                     |
| Nil(20,00,000) units of Axis Fixed Term Plan Series 976 - Growth                      | -                                   | 235.25                              |
| Nil(45,000) units of Tata Capital Financial Services Ltd. NCD                         | -                                   | 457.26                              |
| <b>Total</b>                                                                          | <b>13,260.89</b>                    | <b>13,878.64</b>                    |
| Aggregate amount of Quoted Investments and market value there of                      | 1,887.68                            | 2,504.92                            |
| Aggregate amount of Unquoted Investments                                              | 11,373.21                           | 11,373.71                           |
| Aggregate amount of Impairment in value of investment                                 | -                                   | -                                   |
| <b>4 Other Non- Current Financial Assets<br/>(Unsecured &amp; considered good)</b>    |                                     |                                     |
| Fixed Deposits deposits with original maturity of more than 12 months                 | -                                   | 0.81                                |
| Other Deposits                                                                        | 54.25                               | 43.54                               |
| <b>Total</b>                                                                          | <b>54.25</b>                        | <b>44.35</b>                        |
| <b>5 Income tax asset (net)</b>                                                       |                                     |                                     |
| Income Tax (Net of Provision)                                                         | 304.13                              | 271.77                              |
| <b>Total</b>                                                                          | <b>304.13</b>                       | <b>271.77</b>                       |
| <b>6 Other non-current assets</b>                                                     |                                     |                                     |
| Capital Advances                                                                      | 0.02                                | 9.43                                |
| Prepaid expenses                                                                      | 38.29                               | 34.25                               |
| <b>Total</b>                                                                          | <b>38.30</b>                        | <b>43.68</b>                        |
| <b>7 Inventories<br/>(At lower of Cost and Net Realisable Value)</b>                  |                                     |                                     |
| Raw Material                                                                          | 133.63                              | 207.66                              |
| Packing Material                                                                      | 41.16                               | 37.22                               |
| Finished Goods                                                                        | 90.83                               | 120.77                              |
| Stock-in-Trade                                                                        | 18.38                               | 30.12                               |
| Stock in Transit                                                                      | -                                   | 0.48                                |
| <b>Total</b>                                                                          | <b>284.00</b>                       | <b>396.25</b>                       |

## 8 Investments (Current)

### Investments in Equity Shares carried at fair value through Profit and Loss

#### Quoted

|                                                                                     | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Nil (6,550) Equity Shares of ICICI Bank Ltd. of ₹ 10/- each fully paid up.          | -                                   | 38.13                               |
| Nil (1,854) Equity Shares of Tata Communications Ltd. of ₹ 10/- each fully paid up. | -                                   | 19.70                               |
| Nil (717) Equity Shares of Divis Laboratories Ltd                                   | -                                   | 25.98                               |
| Nil (1,794) Equity Shares of Vardhaman Textiles Ltd.                                | -                                   | 23.28                               |
| Nil (3,430) Equity Shares of Bharat Petroleum Corporation Ltd                       | -                                   | 14.68                               |
| Nil (263) Equity Shares of Bajaj Finserv Ltd.                                       | -                                   | 25.43                               |
| Nil (3,610) Equity Shares of HDFC Life Insurance Company Ltd.                       | -                                   | 25.13                               |
| Nil (3,330) Equity Shares of HCL Technologies Ltd.                                  | -                                   | 32.72                               |
| Nil (11,588) Equity Shares of Tata Motors Ltd                                       | -                                   | 34.97                               |
| Nil (537) Equity Shares of HIL Ltd.                                                 | -                                   | 16.37                               |
| Nil (11,500) Equity Shares of Kirloskar FERR                                        | -                                   | 18.88                               |
| Nil (2,645) Equity Shares of Ramco Systems Ltd.                                     | -                                   | 14.01                               |
| Nil (3,885) Equity Shares of SBI                                                    | -                                   | 14.15                               |
| Nil (1,275) Equity Shares of CEAT Ltd                                               | -                                   | 19.85                               |
| Nil (1,198) Equity Shares of Dalmia Bharat                                          | -                                   | 19.04                               |
| Nil (23,432) Equity Shares of JMC Projects                                          | -                                   | 17.60                               |
| Nil (990) Equity Shares of ICICI Sec                                                | -                                   | 3.79                                |
| Nil (4,850) Equity Shares of Bajaj Consumer Care Ltd                                | -                                   | 12.61                               |
| Nil (479) Equity Shares of Oracle Financial Services Software Ltd                   | -                                   | 15.32                               |
| Nil (12,089) Equity Shares of Phillips Carbon Black Ltd.                            | -                                   | 23.07                               |

### Investments in Mutual Funds carried at fair value through Profit and Loss

|                                                                                           |          |        |
|-------------------------------------------------------------------------------------------|----------|--------|
| 49.542 (49.542) Units of Reliance Liquid Fund -Treasury Plan - Daliy Dividend             | 0.84     | 0.81   |
| Nil (9,058.97) Units of HDFC Liquid Fund- Growth                                          | -        | 363.96 |
| 9530.07 (Nil) Units of Kotak Money Market Scheme Regular Plan Growth                      | 343.13   | -      |
| Nil (13,32,667.29) Units of Kotak Treasury Advantage Fund Regular Plan Growth             | -        | 449.52 |
| 3,30,723.845 (39,457.47) Units of ICICI prudentianl Money Market Fund Regular Plan Growth | 1,006.18 | 115.64 |
| 15,21,035.73 (14,06,855.59) Units of AXIS – Bluechip fund (G)                             | 681.12   | 544.59 |
| 47,16,416.448 (58,89,347.65) Units of HDFC Ultra Short term fund Reg- Grwt                | 579.05   | 697.66 |
| 3,34,828.427 (3,34,828.43) units of Mirae Asset India Equity Fund-Growth Regular Plan     | 259.20   | 219.33 |
| Nil (9,588.34) units of Axis Liquid Fund Growth                                           | -        | 217.92 |
| Nil (1612.16) units of Mirae Asset Cash Management Fund-Growth                            | -        | 34.56  |
| 1,73,745.58 (Nil) ICICI Prudential Savings Fund – Growth                                  | 752.95   | -      |

|                                                                                                        |  | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|--------------------------------------------------------------------------------------------------------|--|-------------------------------------|-------------------------------------|
| 49,819.151 (Nil) ICICI Prudential Equity and Debt Fund - Growth                                        |  | 112.57                              | -                                   |
| 6,77,992.742 (Nil) HDFC Short Term Debt Fund - Regular Plan - Growth                                   |  | 174.19                              | -                                   |
| <b>Total</b>                                                                                           |  | <b>3,909.24</b>                     | 3,058.68                            |
| Aggregate amount of Quoted Investments and Market Value thereof                                        |  | 3,909.24                            | 3,058.68                            |
| <b>9 Trade Receivables</b>                                                                             |  |                                     |                                     |
| Unsecured Considered Good                                                                              |  | 2,139.15                            | 1,841.41                            |
| Unsecured Considered doubtful                                                                          |  | 98.87                               | 86.56                               |
| Less : Provision for Doubtful Debts                                                                    |  | 98.87                               | 86.56                               |
| <b>Total</b>                                                                                           |  | <b>2,139.15</b>                     | 1,841.41                            |
| a. For Trade Receivable Ageing Schedule, refer Note No. 43                                             |  |                                     |                                     |
| b. For Related party transactions, Refer Note No.38                                                    |  |                                     |                                     |
| <b>10 Cash and Cash equivalents</b>                                                                    |  |                                     |                                     |
| Balances with banks                                                                                    |  |                                     |                                     |
| In Current accounts                                                                                    |  | 37.79                               | 86.24                               |
| Cash on hand                                                                                           |  | 2.01                                | 1.09                                |
| <b>Total</b>                                                                                           |  | <b>39.80</b>                        | 87.33                               |
| <b>11 Bank balances other than cash and cash equivalents</b>                                           |  |                                     |                                     |
| Margin money (Including deposits with original maturity of more than 3 months and less than 12 months) |  | 80.01                               | 75.97                               |
| In Unpaid Dividend Accounts                                                                            |  | 14.55                               | 17.04                               |
| <b>Total</b>                                                                                           |  | <b>94.56</b>                        | 93.01                               |
| <b>12 Loans</b>                                                                                        |  |                                     |                                     |
| (Unsecured & considered good)                                                                          |  |                                     |                                     |
| Loan and advance to Employees                                                                          |  | 0.20                                | 1.59                                |
| Loans and advances to Related parties                                                                  |  | 1,982.00                            | 1,817.00                            |
| <b>Total</b>                                                                                           |  | <b>1,982.20</b>                     | 1,818.59                            |
| For related party transactions, Refer note No.38                                                       |  |                                     |                                     |
| <b>13 Other Current Financial Assets</b>                                                               |  |                                     |                                     |
| (Unsecured & considered good)                                                                          |  |                                     |                                     |
| Security Deposits                                                                                      |  | 41.70                               | 29.68                               |
| Deposit - Excise                                                                                       |  | 2.17                                | 2.17                                |
| <b>Total</b>                                                                                           |  | <b>43.87</b>                        | 31.86                               |
| <b>14 Current Tax (Net)</b>                                                                            |  |                                     |                                     |
| Current Tax (Net)                                                                                      |  | -                                   | 13.32                               |
| <b>Total</b>                                                                                           |  | <b>-</b>                            | 13.32                               |

# 15 Other Current Assets

|                                           | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Accrued Interest                          | -                                   | 26.98                               |
| Advances for supply of goods and services | 29.88                               | 13.56                               |
| Balance with Government authorities       | 34.87                               | 34.87                               |
| Other Current Assets                      | 0.30                                | 23.52                               |
| <b>Total</b>                              | <b>65.05</b>                        | <b>98.92</b>                        |

# 16 Equity Share Capital

## Authorised

|                                                      |          |          |
|------------------------------------------------------|----------|----------|
| 2,00,00,000 (2,00,00,000) Equity Shares of ₹5/- each | 1,000.00 | 1,000.00 |
|------------------------------------------------------|----------|----------|

## Issued, Subscribed and Paid up

|                                                                  |               |               |
|------------------------------------------------------------------|---------------|---------------|
| 134,48,288 (134,48,288) Equity Shares of ₹5/- each fully paid up | 672.41        | 672.41        |
| <b>Total</b>                                                     | <b>672.41</b> | <b>672.41</b> |

## a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:

|                                                           |             |             |
|-----------------------------------------------------------|-------------|-------------|
| Number of shares outstanding at the beginning of the year | 1,34,48,288 | 1,34,48,288 |
| Additions during the year                                 | -           | -           |
| Deductions during the year                                | -           | -           |
| Number of shares outstanding at the end of the year       | 1,34,48,288 | 1,34,48,288 |

## b. Details of Shareholders holding more than 5% Shares

| Name of the Shareholder | As at 31/3/2022<br>No of Shares | As at 31/3/2021<br>No of Shares |
|-------------------------|---------------------------------|---------------------------------|
| Nirmal V. Shah          | 17,53,887                       | 17,09,092                       |
| % held                  | 13.04%                          | 12.71%                          |
| Sameer V. Shah          | 16,45,493                       | 16,09,661                       |
| % held                  | 12.24%                          | 11.97%                          |
| Padma V. Shah           | 16,27,712                       | 16,22,312                       |
| % held                  | 12.10%                          | 12.06%                          |
| Visan Holding Pvt. Ltd. | 13,10,630                       | 13,07,630                       |
| % held                  | 9.75%                           | 9.72%                           |

## c. Disclosure of shareholding of Promoters

Disclosure of shareholding of promoters as at 31<sup>st</sup> March, 2022 is as follows:

| Shares held by promoter at the end of the year |                           |                  |                   | % change during the year |
|------------------------------------------------|---------------------------|------------------|-------------------|--------------------------|
| Sr. No.                                        | Promoter Name             | No. of shares    | % of total shares |                          |
| 1                                              | Nirmal Vinod Shah         | 17,53,887        | 13.04%            | 0.33                     |
| 2                                              | Sameer Vinod Shah         | 16,45,493        | 12.24%            | 0.27                     |
| 3                                              | Ashwin Ratilal Nagarwadia | 5,00,000         | 3.72%             | -                        |
| 4                                              | Shah Bhadrash             | 1,88,934         | 1.40%             | -                        |
|                                                | <b>Total</b>              | <b>40,88,314</b> | <b>30.40%</b>     |                          |



Disclosure of shareholding of promoters as at 31<sup>st</sup> March, 2021 is as follows:

| Sr. No. | Promoter Name             | Shares held by promoter at the end of the year |                   | % change during the year |
|---------|---------------------------|------------------------------------------------|-------------------|--------------------------|
|         |                           | No. of shares                                  | % of total shares |                          |
| 1       | Nirmal Vinod Shah         | 17,09,092                                      | 12.71%            | 0.07                     |
| 2       | Sameer Vinod Shah         | 16,09,661                                      | 11.97%            | 0.18                     |
| 3       | Ashwin Ratilal Nagarwadia | 5,00,000                                       | 3.72%             | -                        |
| 4       | Shah Bhadresh             | 1,88,934                                       | 1.40%             | -                        |
|         | <b>Total</b>              | <b>40,07,687</b>                               | <b>29.80%</b>     |                          |

**d. Terms and rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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.

|                                                 | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>17 Other Equity</b>                          |                                     |                                     |
| <b>General Reserve</b>                          |                                     |                                     |
| As per last year                                | 630.00                              | 630.00                              |
| Add: Transfer from Profit & Loss A/c.           | -                                   | -                                   |
|                                                 | <b>630.00</b>                       | <b>630.00</b>                       |
| <b>Securities Premium</b>                       |                                     |                                     |
| As per last year                                | 613.05                              | 613.05                              |
| Add: Received on Shares issued during the year  | -                                   | -                                   |
|                                                 | <b>613.05</b>                       | <b>613.05</b>                       |
| <b>Retained Earnings</b>                        |                                     |                                     |
| As per last year                                | 22,005.75                           | 21,038.44                           |
| Add: Profit for the Year                        | 874.36                              | 967.31                              |
|                                                 | <b>22,880.11</b>                    | <b>22,005.75</b>                    |
| Less: Appropriations                            |                                     |                                     |
| Other Comprehensive Income/(Loss) for the year  | 3.61                                | (1.31)                              |
| Prior Period Items                              | 4.41                                |                                     |
| Dividend Paid                                   | 302.59                              | -                                   |
|                                                 | <b>22,573.12</b>                    | <b>22,005.75</b>                    |
| <b>Other Comprehensive Income (OCI)</b>         |                                     |                                     |
| Remeasurements of the net defined benefit Plans |                                     |                                     |
| As per last year                                | 9.07                                | 10.38                               |
| Movement During the Year                        | 3.61                                | (1.31)                              |
|                                                 | <b>12.68</b>                        | <b>9.07</b>                         |
| <b>Total</b>                                    | <b>23,828.85</b>                    | <b>23,257.87</b>                    |
| <b>18 Provisions</b>                            |                                     |                                     |
| Provision for Gratuity                          | 15.25                               | 41.04                               |
| <b>Total</b>                                    | <b>15.25</b>                        | <b>41.04</b>                        |
| <b>19 Deferred Tax Liability (Net)</b>          |                                     |                                     |
| Deferred tax Liability                          |                                     |                                     |
| Depreciation                                    | 442.62                              | 447.07                              |
| Investments at Fair Value                       | 102.73                              | 91.29                               |
|                                                 | <b>545.34</b>                       | <b>538.35</b>                       |

|                                                                                                                                                                                                                                      | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Deferred tax Asset                                                                                                                                                                                                                   |                                     |                                     |
| Gratuity                                                                                                                                                                                                                             | 8.33                                | 5.29                                |
| MAT Credit                                                                                                                                                                                                                           | 420.12                              | 383.79                              |
| Other Deferred tax Asset                                                                                                                                                                                                             | 0.23                                | 1.84                                |
| Provision for Doubtful Debts                                                                                                                                                                                                         | 28.79                               | 25.21                               |
|                                                                                                                                                                                                                                      | 457.47                              | 416.14                              |
| <b>Net Deferred Tax Liability</b>                                                                                                                                                                                                    | <b>Total 87.87</b>                  | <b>122.22</b>                       |
| <b>20 Trade Payables</b>                                                                                                                                                                                                             |                                     |                                     |
| Total Outstanding Dues of Micro and Small Enterprises                                                                                                                                                                                | 24.59                               | 105.92                              |
| Total Outstanding Dues of Creditors other than Micro and Small Enterprises                                                                                                                                                           | 583.61                              | 633.32                              |
|                                                                                                                                                                                                                                      | <b>Total 608.19</b>                 | <b>739.24</b>                       |
| a For Trade Payables Ageing Schedule refer Note No.44                                                                                                                                                                                |                                     |                                     |
| b For Related party transaction Refer Note No.38                                                                                                                                                                                     |                                     |                                     |
| c The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at the year end. The disclosure pursuant to the said Act is as under:                                  |                                     |                                     |
| Principal amount due to suppliers under MSMED Act, 2006                                                                                                                                                                              | 24.59                               | 105.92                              |
| Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount                                                                                                                                                      | 0.01                                | 0.03                                |
| Payment made to suppliers (other than interest) beyond the appointed day, during the year                                                                                                                                            | 105.92                              | 78.27                               |
| Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)                                                                                                                                                    | 0.03                                | 0.12                                |
| Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)                                                                                                                                                               | NIL                                 | NIL                                 |
| Interest due and payable to suppliers under MSMED Act, 2006 for payments already made                                                                                                                                                | 0.01                                | 0.03                                |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006                                                                                                                                      | 0.01                                | 0.03                                |
| The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. |                                     |                                     |
| <b>21 Other Current Financial Liabilities</b>                                                                                                                                                                                        |                                     |                                     |
| Employee Benefits & Other Payables                                                                                                                                                                                                   | 118.45                              | 158.23                              |
| Creditors for Capital Expenditure                                                                                                                                                                                                    | 13.18                               | 8.60                                |
| Unclaimed Dividend *                                                                                                                                                                                                                 | 16.57                               | 17.04                               |
|                                                                                                                                                                                                                                      | <b>Total 148.20</b>                 | <b>183.86</b>                       |
| * Not due for Deposit to Investor Education and Protection Fund                                                                                                                                                                      |                                     |                                     |
| <b>22 Other Current Liabilities</b>                                                                                                                                                                                                  |                                     |                                     |
| Advance Received From Customers                                                                                                                                                                                                      | 62.36                               | 52.48                               |
| Statutory Dues                                                                                                                                                                                                                       | 32.02                               | 21.53                               |
|                                                                                                                                                                                                                                      | <b>Total 94.38</b>                  | <b>74.02</b>                        |
| <b>23 Provisions</b>                                                                                                                                                                                                                 |                                     |                                     |
| Provision for Gratuity                                                                                                                                                                                                               | 12.83                               | 1.94                                |
|                                                                                                                                                                                                                                      | <b>Total 12.83</b>                  | <b>1.94</b>                         |

|                                                                                                                                         | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>24 Revenue from Operations</b>                                                                                                       |                           |                           |
| <b>Sale of Goods</b>                                                                                                                    | <b>4,233.16</b>           | 3,902.73                  |
| <b>Sales of Services</b>                                                                                                                |                           |                           |
| Technical Service Income                                                                                                                | 31.19                     | 9.69                      |
| <b>Other Operating revenue</b>                                                                                                          |                           |                           |
| Management Services Charges from Related Party (For Related party transaction Refer Note No.38)                                         | 262.72                    | 247.11                    |
| Bad Debts Recovered                                                                                                                     | 43.55                     | 7.43                      |
| Miscellaneous Income                                                                                                                    | 46.02                     | 36.73                     |
|                                                                                                                                         | <b>352.29</b>             | 291.27                    |
| <b>Total</b>                                                                                                                            | <b>4,616.64</b>           | 4,203.69                  |
| <b>25 Other Income</b>                                                                                                                  |                           |                           |
| Dividend from Subsidiary Company                                                                                                        | 220.00                    | -                         |
| Dividend from Equity Investments                                                                                                        | 4.39                      | 3.82                      |
| Dividend from Mutual Funds                                                                                                              | 0.03                      | 0.02                      |
|                                                                                                                                         | <b>224.42</b>             | 3.84                      |
| Net gain on Sale/fair valuation of investments through profit & loss *                                                                  | 333.56                    | 883.90                    |
| Gross Interest {TDS ₹ 17.20 lakhs (P.Y ₹ 12.76 lakhs)}                                                                                  | 182.33                    | 210.76                    |
| Gross Rental Income {TDS ₹ 9.71 lakhs (P.Y ₹ 5.31 lakhs)}                                                                               | 97.62                     | 72.21                     |
| Corporate Gurantee fee                                                                                                                  | 20.50                     | 20.50                     |
| Keyman Insurance proceeds                                                                                                               | 99.38                     | -                         |
| <b>Total</b>                                                                                                                            | <b>957.80</b>             | 1,191.20                  |
| * Adjusted fair value gain/(loss) as at 31 <sup>st</sup> March 2022 amounting to ₹ 96.09 (31 <sup>st</sup> March 2021 - ₹ 494.59 lakhs) |                           |                           |
| <b>26 Cost of materials consumed</b>                                                                                                    |                           |                           |
| Raw Materials Consumed                                                                                                                  | 1,605.74                  | 1,412.65                  |
| Packing Material                                                                                                                        | 219.32                    | 210.54                    |
| <b>Total</b>                                                                                                                            | <b>1,825.07</b>           | 1,623.20                  |
| <b>27 Purchases of stock-in-trade</b>                                                                                                   |                           |                           |
| Purchases of Stock-in-trade                                                                                                             | 405.23                    | 208.73                    |
| <b>Total</b>                                                                                                                            | <b>405.23</b>             | 208.73                    |
| <b>28 Changes in inventory of Finished goods, Work in progress and Traded goods</b>                                                     |                           |                           |
| Finished products/ Stock in Trade (At Close)                                                                                            | 109.21                    | 150.89                    |
| Finished products/ Stock in Trade (At commencement)                                                                                     | 150.89                    | 214.70                    |
| <b>Total</b>                                                                                                                            | <b>41.68</b>              | 63.81                     |
| <b>29 Employee benefit expenses</b>                                                                                                     |                           |                           |
| Director Remuneration                                                                                                                   | 112.72                    | 95.05                     |
| Salaries & Wages                                                                                                                        | 488.44                    | 424.22                    |
| Contribution to Provident & other funds                                                                                                 | 58.73                     | 57.06                     |
| Staff Welfare Expenses                                                                                                                  | 30.39                     | 22.64                     |
| <b>Total</b>                                                                                                                            | <b>690.29</b>             | 598.96                    |
| a. For Related party transaction Refer Note No.38                                                                                       |                           |                           |

|                                                  | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|--------------------------------------------------|---------------------------|---------------------------|
| <b>30 Finance Cost</b>                           |                           |                           |
| Interest Expense                                 |                           |                           |
| - Banks                                          | 1.11                      | 0.16                      |
| - MSMED                                          | 0.01                      | 0.03                      |
| - Others                                         | 0.79                      | 5.73                      |
| Bank Guarantee fees & charges                    | 2.90                      | 1.20                      |
| <b>Total</b>                                     | <b>4.82</b>               | <b>7.11</b>               |
| <b>31 Depreciation and Amortisation expenses</b> |                           |                           |
| Depreciation and Amortisation Expenses           | 269.93                    | 280.46                    |
| <b>Total</b>                                     | <b>269.93</b>             | <b>280.46</b>             |
| <b>32 Other Expenses</b>                         |                           |                           |
| <b>Manufacturing Expenses</b>                    |                           |                           |
| Consumable stores                                | 28.03                     | 16.32                     |
| Power, Fuel & Water Charges                      | 60.04                     | 54.04                     |
| Research and Development (see note 'a' below)    | 86.37                     | 86.79                     |
| Lab Expenses                                     | -                         | 0.02                      |
| Repairs and Renewals to Plant & Machinery        | 18.61                     | 27.54                     |
| Labour Charges                                   | 237.36                    | 205.84                    |
| Security Expenses                                | 61.83                     | 64.55                     |
| Factory Maintenance                              | 17.28                     | 18.44                     |
| <b>A</b>                                         | <b>509.52</b>             | <b>473.55</b>             |
| <b>Administrative Expenses</b>                   |                           |                           |
| Director's Sitting Fees                          | 13.43                     | 9.38                      |
| Rates & Taxes                                    | 10.29                     | 13.70                     |
| Electricity charges                              | 27.59                     | 26.54                     |
| Printing and stationary                          | 4.36                      | 4.83                      |
| Telephone & Postage Expenses                     | 9.30                      | 8.71                      |
| Insurance                                        | 20.11                     | 18.59                     |
| Motor car expenses                               | 27.07                     | 23.93                     |
| Auditors Remuneration                            | 16.10                     | 14.81                     |
| Legal, Professional & consultancy fees           | 113.50                    | 172.10                    |
| Repairs & Maintenance Buildings                  | 0.39                      | 1.35                      |
| Repairs & Maintenance Others                     | 131.64                    | 98.91                     |
| Miscellaneous expenses                           | 22.90                     | 26.80                     |
| CSR Expenditure                                  | 9.03                      | 11.45                     |
| Sales Tax & Other Taxes                          | 2.68                      | 3.98                      |
| Loss on Sale of Fixed Asset                      | 1.55                      | 5.06                      |
| Input GST Disallowed                             | 1.29                      | 2.04                      |
| Foreign Exchange Fluctuation Loss/ (Gain)        | 10.95                     | 1.57                      |
| Provision for Doubtful Debts                     | 61.05                     | 44.35                     |
| Bad Debts Written Off                            | -                         | 115.88                    |
| <b>B</b>                                         | <b>484.78</b>             | <b>603.97</b>             |
| <b>Selling and Distribution Expenses</b>         |                           |                           |
| Carriage outwards                                | 117.14                    | 125.28                    |
| Rent                                             | 15.30                     | 18.36                     |
| Commission on sales                              | 34.01                     | 38.44                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2021-2022<br>(₹ In lakhs)                                         | 2020-2021<br>(₹ In lakhs)                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| Travelling Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                | 29.60                                                             | 30.49                                                             |
| Conveyance expenses                                                                                                                                                                                                                                                                                                                                                                                                                                | 22.03                                                             | 18.43                                                             |
| Royalty Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10.70                                                             | 11.40                                                             |
| Advertising & Publicity Expenses                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.42                                                              | 0.96                                                              |
| Warehousing Charges                                                                                                                                                                                                                                                                                                                                                                                                                                | -                                                                 | 3.47                                                              |
| Packing Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10.45                                                             | 8.01                                                              |
| Sales Promotion Expenses                                                                                                                                                                                                                                                                                                                                                                                                                           | 9.68                                                              | 15.34                                                             |
| <b>C</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>250.33</b>                                                     | <b>270.19</b>                                                     |
| <b>Total (A+B+C)</b>                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1,244.64</b>                                                   | <b>1,347.72</b>                                                   |
| <b>a. Research and Development Expenses:</b>                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                   |                                                                   |
| Research and Development Lab Mahape                                                                                                                                                                                                                                                                                                                                                                                                                | 61.89                                                             | 56.02                                                             |
| Research and Development Lab Dudhwada                                                                                                                                                                                                                                                                                                                                                                                                              | 24.48                                                             | 30.77                                                             |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>86.37</b>                                                      | <b>86.79</b>                                                      |
| <b>b. Auditor's Remuneration consists of:</b>                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                   |                                                                   |
| Statutory Audit Fees                                                                                                                                                                                                                                                                                                                                                                                                                               | 15.95                                                             | 14.50                                                             |
| Taxation and Other Matters                                                                                                                                                                                                                                                                                                                                                                                                                         | 0.15                                                              | 0.31                                                              |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>16.10</b>                                                      | <b>14.81</b>                                                      |
| <b>c. Corporate Social Responsibility</b>                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                   |                                                                   |
| As per section 135 of the Companies Act 2013, a CSR committee has been formed by the Company. Identification of deserving areas for the Company's CSR activities has been done during the year. With water being the business of the company, The Management has identified village for carrying out CSR activities. The funds were utilised through the year on these activities which were specified in Schedule VII of the Companies Act, 2013. |                                                                   |                                                                   |
| - Gross amount required to be spent by the company during the year ₹ 9.03 lakhs. (Previous Year ₹ 11.45 Lakhs)                                                                                                                                                                                                                                                                                                                                     |                                                                   |                                                                   |
| - Amount spent during the year is ₹ 9.03 lakhs (Previous Year ₹ 11.45 Lakhs)                                                                                                                                                                                                                                                                                                                                                                       |                                                                   |                                                                   |
| <b>Details of corporate social responsibility expenditure</b>                                                                                                                                                                                                                                                                                                                                                                                      |                                                                   |                                                                   |
| a) Amount required to be spent by the company during the year                                                                                                                                                                                                                                                                                                                                                                                      | 9.03                                                              | 11.45                                                             |
| b) Amount of expenditure incurred                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                   |                                                                   |
| (i) Construction / acquisition of any asset                                                                                                                                                                                                                                                                                                                                                                                                        | -                                                                 | -                                                                 |
| (ii) On purpose other than (i) and above                                                                                                                                                                                                                                                                                                                                                                                                           | 9.03                                                              | 11.45                                                             |
| c) Shortfall at the end of the year                                                                                                                                                                                                                                                                                                                                                                                                                | -                                                                 | -                                                                 |
| d) Total of previous years shortfall                                                                                                                                                                                                                                                                                                                                                                                                               | -                                                                 | -                                                                 |
| e) Reason for shortfall                                                                                                                                                                                                                                                                                                                                                                                                                            | -                                                                 | -                                                                 |
| f) Nature of CSR activities                                                                                                                                                                                                                                                                                                                                                                                                                        | Promotion of Education, Women empowerment and vocational training | Promotion of Education, Women empowerment and vocational training |
| g) Details of related party transactions                                                                                                                                                                                                                                                                                                                                                                                                           | Refer Note No. 38                                                 | Refer Note No. 38                                                 |
| h) Provision made with respect to a liability incurred by entering into a contractual obligation for the year                                                                                                                                                                                                                                                                                                                                      | -                                                                 | -                                                                 |

#### d Lease

The Company normally acquires offices, warehouses and vehicles under non-cancellable operational leases. Minimum lease payments outstanding at year end in respect of these assets are as under:

|                                                             | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|-------------------------------------------------------------|---------------------------|---------------------------|
| Due within one year                                         | 36.47                     | 8.65                      |
| Due later than one year and not later than five years       | -                         | -                         |
| Due later than five years                                   | -                         | -                         |
| Lease payments recognised in the Statement of Profit & Loss | 15.30                     | 21.83                     |

### 33 EARNINGS PER SHARE

|                                                                        |             |             |
|------------------------------------------------------------------------|-------------|-------------|
| Net Profit available to Equity Shareholders (₹ In Lakhs)               | 877.98      | 966.00      |
| Total number of Equity Shares (Face value of ₹ 5/- each fully paid up) | 1,34,48,288 | 1,34,48,288 |
| Weighted No. of Equity Shares                                          | 1,34,48,288 | 1,34,48,288 |
| Basic Earnings per Share (in ₹)                                        | 6.53        | 7.18        |
| Diluted No. of Equity Shares                                           | 1,34,48,288 | 1,34,48,288 |
| Diluted Earnings per Share (in ₹)                                      | 6.53        | 7.18        |

### 34 EARNINGS IN FOREIGN EXCHANGE

|                              |             |              |
|------------------------------|-------------|--------------|
| Export of Goods on FOB Basis | 2.61        | 14.51        |
| <b>Total</b>                 | <b>2.61</b> | <b>14.51</b> |

### 35 Segment Reporting

The Company is engaged in the manufacture of Specialty Chemicals, which in the context of Ind AS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.

### 36 Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

|                                                           | As at 31 March 2022                |                                               |               |          |            |         |         |          |
|-----------------------------------------------------------|------------------------------------|-----------------------------------------------|---------------|----------|------------|---------|---------|----------|
|                                                           | Carrying amount                    |                                               |               |          | Fair value |         |         |          |
|                                                           | Fair value through profit and loss | Fair value through other comprehensive income | Amotised Cost | Total    | Level 1    | Level 2 | Level 3 | Total    |
| <b>Financial assets</b>                                   |                                    |                                               |               |          |            |         |         |          |
| Cash and cash equivalents (Including other bank balances) |                                    |                                               | 134.36        | 134.36   |            |         |         | -        |
| Investments                                               |                                    |                                               |               |          |            |         |         |          |
| - Mutual Funds                                            | 5,754.96                           |                                               |               | 5,754.96 | 5,754.96   |         |         | 5,754.96 |
| - Equity Shares (Quoted)                                  | 41.96                              |                                               |               | 41.96    | 41.96      |         |         | 41.96    |
| - Equity Shares (Unquoted)                                |                                    |                                               | 4.57          | 4.57     |            |         |         | -        |
| - Preference shares, NCD and bonds                        |                                    |                                               | -             | -        |            |         |         | -        |
| Trade and other receivables                               |                                    |                                               | 2,139.15      | 2,139.15 |            |         |         | -        |



|                                                                           | As at 31 March 2022                |                                               |                 |                  |                 |          |          |                 |
|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------------|-----------------|------------------|-----------------|----------|----------|-----------------|
|                                                                           | Carrying amount                    |                                               |                 |                  | Fair value      |          |          |                 |
|                                                                           | Fair value through profit and loss | Fair value through other comprehensive income | Amotised Cost   | Total            | Level 1         | Level 2  | Level 3  | Total           |
| Loans                                                                     |                                    |                                               | 1,982.20        | 1,982.20         |                 |          |          | -               |
| Other financial assets                                                    |                                    |                                               | 98.12           | 98.12            |                 |          |          | -               |
| <b>TOTAL</b>                                                              | <b>5,796.92</b>                    | <b>-</b>                                      | <b>4,358.40</b> | <b>10,155.32</b> | <b>5,796.92</b> | <b>-</b> | <b>-</b> | <b>5,796.92</b> |
| <b>Financial liabilities</b>                                              |                                    |                                               |                 |                  |                 |          |          |                 |
| Long term borrowings (Including current maturity of Long term borrowings) |                                    |                                               |                 | -                |                 |          |          |                 |
| Short term borrowings                                                     |                                    |                                               | -               | -                |                 |          |          | -               |
| Trade and other payables                                                  |                                    |                                               | 608.19          | 608.19           |                 |          |          | -               |
| Other financial liabilities                                               |                                    |                                               | 148.20          | 148.20           |                 |          |          | -               |
| <b>TOTAL</b>                                                              | <b>-</b>                           | <b>-</b>                                      | <b>756.39</b>   | <b>756.39</b>    | <b>-</b>        | <b>-</b> | <b>-</b> | <b>-</b>        |

|                                                                           | As at 31 March 2021                |                                               |                 |                 |                 |          |          |                 |
|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------------|-----------------|-----------------|-----------------|----------|----------|-----------------|
|                                                                           | Carrying amount                    |                                               |                 |                 | Fair value      |          |          |                 |
|                                                                           | Fair value through profit and loss | Fair value through other comprehensive income | Amotised Cost   | Total           | Level 1         | Level 2  | Level 3  | Total           |
| <b>Financial assets</b>                                                   |                                    |                                               |                 |                 |                 |          |          |                 |
| Cash and cash equivalents (Including other bank balances)                 |                                    |                                               | 180.34          | 180.34          |                 |          |          | -               |
| Investments                                                               |                                    |                                               |                 |                 |                 |          |          |                 |
| - Mutual Funds                                                            | 4,653.66                           |                                               |                 | 4,653.66        | 4,653.66        |          |          | 4,653.66        |
| - Equity Shares (Quoted)                                                  | 452.68                             |                                               |                 | 452.68          | 452.68          |          |          | 452.68          |
| - Equity Shares (Unquoted)                                                |                                    |                                               | 5.08            | 5.08            |                 |          |          | -               |
| - Preference shares, NCD and bonds                                        |                                    |                                               | 457.26          | 457.26          |                 |          |          | -               |
| Trade and other receivables                                               |                                    |                                               | 1,841.41        | 1,841.41        |                 |          |          | -               |
| Loans                                                                     |                                    |                                               | 1,818.59        | 1,818.59        |                 |          |          | -               |
| Other financial assets                                                    |                                    |                                               | 76.21           | 76.21           |                 |          |          | -               |
| <b>TOTAL</b>                                                              | <b>5,106.34</b>                    | <b>-</b>                                      | <b>4,378.89</b> | <b>9,485.23</b> | <b>5,106.34</b> | <b>-</b> | <b>-</b> | <b>5,106.34</b> |
| <b>Financial liabilities</b>                                              |                                    |                                               |                 |                 |                 |          |          |                 |
| Long term borrowings (Including current maturity of Long term borrowings) |                                    |                                               |                 | -               |                 |          |          |                 |
| Short term borrowings                                                     |                                    |                                               | -               | -               |                 |          |          | -               |
| Trade and other payables                                                  |                                    |                                               | 739.24          | 739.24          |                 |          |          | -               |
| Other financial liabilities                                               |                                    |                                               | 183.86          | 183.86          |                 |          |          | -               |
| <b>TOTAL</b>                                                              | <b>-</b>                           | <b>-</b>                                      | <b>923.10</b>   | <b>923.10</b>   | <b>-</b>        | <b>-</b> | <b>-</b> | <b>-</b>        |

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

## B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity

specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. e.g. unlisted equity securities.

#### **Transfers between Levels**

There are no transfers between the levels

### **C. Financial risk management**

The Company's activities expose it to Credit risk, liquidity risk and market risk.

#### **i. Risk management framework**

Risk Management is an integral part of the Company's plans and operations. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies. The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### **ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

##### **Trade and other receivables**

Credit risk is the risk of possible default by the counter party resulting in a financial loss.

The Company manages credit risk through various internal policies and procedures set forth for effective control over credit exposure. These are managed by way of setting various credit approvals, evaluation of financial condition before supply terms, setting credit limits, industry trends, ageing analysis and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Based on prior experience and an assessment of the current economic environment, management believes that sufficient provision is made based on expected credit loss model for credit risk wherever credit is extended to customers.

##### **Cash and cash equivalents**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and with high credit ratings assigned by International and domestic credit ratings agencies.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

#### **iii. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹ In Lakhs)

| Sr No | As at 31 <sup>st</sup> March, 2022 | Notes | Carrying Values | Less than 12 Months | More than 12 Months |
|-------|------------------------------------|-------|-----------------|---------------------|---------------------|
| 1     | Trade payables                     | 22    | 608.19          | 608.19              | -                   |
| 2     | Other Financials Liability         | 23    | 148.20          | 148.20              | -                   |
| 3     | Other Current Liabilities          | 24    | 94.38           | 94.38               | -                   |
|       | <b>TOTAL</b>                       |       | <b>850.77</b>   | <b>850.77</b>       | -                   |

(₹ In Lakhs)

| Sr No | As at 31 <sup>st</sup> March, 2021 | Notes | Carrying Values | Less than 12 Months | More than 12 Months |
|-------|------------------------------------|-------|-----------------|---------------------|---------------------|
| 1     | Trade payables                     | 22    | 739.24          | 739.24              | -                   |
| 2     | Other Financials Liability         | 23    | 183.86          | 183.86              | -                   |
| 3     | Other Current Liabilities          | 24    | 74.02           | 74.02               | -                   |
|       | <b>TOTAL</b>                       |       | <b>997.12</b>   | <b>997.12</b>       | -                   |

#### iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

##### a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, and other expenses are denominated and the functional currency of the Company. The functional currency of the Company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

##### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

- a The Company has entered into forward contracts to hedge the foreign currency risks arising from amounts designated in foreign currency. The counter party to such forward contract is a bank. Forward contracts outstanding at the year end are:

(₹ In Lakhs)

| Currency | Exposure to buy/sell | As at 31/03/2022 |                 | As at 31/03/2021 |                 |
|----------|----------------------|------------------|-----------------|------------------|-----------------|
|          |                      | Foreign Currency | Indian Currency | Foreign Currency | Indian Currency |
| USD      | Buy                  | -                | -               | -                | -               |

- b Foreign Currency Exposures at the year end not hedged by derivative instruments:

(₹ In Lakhs)

|            |      | As at 31/03/2022 |                 | As at 31/03/2021 |                 |
|------------|------|------------------|-----------------|------------------|-----------------|
|            |      | Foreign Currency | Indian Currency | Foreign Currency | Indian Currency |
| US Dollars | Buy  | -                | -               | 0.15             | 11.17           |
| Euro       | Buy  | 0.00             | 0.34            | 0.03             | 2.24            |
| US Dollars | Sell | 0.17             | 13.18           | 0.09             | 6.29            |

**b) 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. Investment committee manages and constantly reviews the interest rate movements in the market. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company. The Company's exposures to interest rate risk is not significant.

**37 Employee Benefit obligations****(A) Defined Benefit Plan**

The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan. Based on the actuarial valuation obtained in this respect, details of Acturial Valuation are as follows:

(₹ In Lakhs)

|                                                        |  | As at<br>31 March 2022     | As at<br>31 March 2021 |
|--------------------------------------------------------|--|----------------------------|------------------------|
|                                                        |  | <b>(Funded plan)</b>       |                        |
| <b>(i) Change in Defined Benefit Obligation</b>        |  |                            |                        |
| Opening defined benefit obligation                     |  | <b>146.67</b>              | 129.82                 |
| Amount recognised in profit and loss                   |  |                            |                        |
| Current service cost                                   |  | <b>12.88</b>               | 12.79                  |
| Interest cost                                          |  | <b>9.78</b>                | 8.76                   |
| <b>Amount recognised in other comprehensive income</b> |  |                            |                        |
| Actuarial loss / (gain) arising from:                  |  |                            |                        |
| Return on Plan Assets                                  |  |                            |                        |
| Financial assumptions                                  |  | <b>(2.34)</b>              | 1.40                   |
| Benefits paid                                          |  | <b>(11.74)</b>             | (6.10)                 |
| <b>Closing defined benefit obligation</b>              |  | <b>155.24</b>              | 146.67                 |
| <b>(ii) Change in Fair Value of Assets</b>             |  |                            |                        |
| Opening fair value of plan assets                      |  | <b>103.69</b>              | 78.66                  |
| Amount recognised in profit and loss                   |  |                            |                        |
| Interest income                                        |  | <b>6.89</b>                | 5.31                   |
| Amount recognised in other comprehensive income        |  |                            |                        |
| Actuarial gain / (loss)                                |  |                            |                        |
| Return on Plan Assets, Excluding Interest Income       |  | <b>2.21</b>                | (0.26)                 |
| Contributions by employer                              |  | <b>26.11</b>               | 26.08                  |
| Equitable fund transfer out                            |  | -                          | -                      |
| Benefits paid                                          |  | <b>(11.74)</b>             | (6.10)                 |
| Closing fair value of plan assets                      |  | <b>127.15</b>              | 103.69                 |
| Actual return on Plan Assets                           |  | <b>9.10</b>                | 5.05                   |
| <b>(iii) Plan assets comprise the following</b>        |  |                            |                        |
| Insurance fund (100%)                                  |  | <b>Unquoted<br/>127.15</b> | Unquoted<br>103.69     |

|      |                                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|------|---------------------------------------------------|------------------------|------------------------|
|      |                                                   | (Funded plan)          |                        |
| (iv) | <b>Principal actuarial assumptions used</b>       | %                      | %                      |
|      | Discount rate                                     | 6.80                   | 6.71                   |
|      | Withdrawal Rate                                   | 1.00                   | 1.00                   |
|      | Future Salary Increase                            | 5.00                   | 5.00                   |
| (v)  | <b>Amount recognised in the Balance Sheet</b>     |                        |                        |
|      | Present value of obligations as at year end       | 155.24                 | 146.67                 |
|      | Fair value of plan assets as at year end          | 127.15                 | 103.69                 |
|      | Net (asset) / liability recognised as at year end | 28.09                  | 42.98                  |
|      | <b>Recognised under :</b>                         |                        |                        |
|      | Short term provisions                             | 12.83                  | 1.94                   |
|      | Long term provisions                              | 15.25                  | 41.04                  |
|      |                                                   | 28.09                  | 42.98                  |

#### (vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

|                                                    | As at 31 <sup>st</sup> March, 2022 |          | As at 31 <sup>st</sup> March, 2021 |          |
|----------------------------------------------------|------------------------------------|----------|------------------------------------|----------|
|                                                    | Increase                           | Decrease | Increase                           | Decrease |
| Discount rate 1%/(0.5%) movement - Gratuity        | (11.46)                            | 13.27    | (11.75)                            | 13.65    |
| Future salary growth 1%/(0.5%) movement - Gratuity | 13.33                              | (11.70)  | 13.75                              | (12.03)  |

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

#### (vii) Expected future cash flows

| The expected maturity analysis is as follows : | For year ended | For year ended |
|------------------------------------------------|----------------|----------------|
|                                                | 31.3.2022      | 31.3.2021      |
| Expected benefits for year 1                   | 30.79          | 132.45         |
| Expected benefits for year 2                   | 11.18          | 20.53          |
| Expected benefits for year 3                   | 11.42          | 24.64          |
| Expected benefits for year 4                   | 2.17           | 32.18          |
| Expected benefits for year 5                   | 14.73          | 27.54          |
| Expected benefits for year 6 and above         | 69.88          | 244.18         |

### 38 RELATED PARTY DISCLOSURES

Related party disclosures as required under Accounting Standard on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given below:

## a) Relationship:

## i. Subsidiary Companies and Step down Subsidiary Companies :

Chembond Water Technologies Ltd., Chembond Material Technologies Pvt Ltd, Chembond Clean Water Technologies Ltd., Chembond Biosciences Limited, Chembond Polymers and Materials Ltd, Chembond Calvatis Industrial Hygiene Systems Ltd., Phiroze Sethna Pvt Ltd, Chembond Water Technologies (Malaysia) Sdn. Bhd., Chembond Water Technologies (Thailand) Co. Ltd., Chembond Distribution Ltd and Gramos Chemicals India Private Limited.

## ii. Key Management Personnel and their relatives (KMP)

## Key Management Personnel:

Sameer V. Shah, Nirmal V. Shah, Ashwin R. Nagarwadia, Bhadresh D. Shah, Mahendra K. Ghelani, Sushil U. Lakhani, Dr. Prakash Trivedi, Sarawati Sankar.

## Relatives :

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpana S. Shah, Sandeep H. Shah, Jyoti N. Mehta, Nikhil J. Mehta, Amrita S. Shah, Malika S. Shah, Kshitija N. Shah, Raunaq S. Shah, Rahil N. Shah.

Entities over which Key Management personnel are able to exercise influence :

CCL Opto Electronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Pvt Ltd., Visan Holdings Pvt Ltd, Oriano Clean Energy Pvt Ltd.

## b) The following transactions were carried out with related parties in the ordinary course of business

(₹ In lakhs)

| For the year ended / as on                       | 31.03.2022    |                                         |               | 31.03.2021    |                                         |               |
|--------------------------------------------------|---------------|-----------------------------------------|---------------|---------------|-----------------------------------------|---------------|
| Description of the nature of transactions        | Subsidiary    | KMP & Entities where KMP are interested | Total         | Subsidiary    | KMP & Entities where KMP are interested | Total         |
| <b>Sales of Goods</b>                            | <b>905.54</b> | <b>13.33</b>                            | <b>918.87</b> | <b>638.80</b> | <b>2.59</b>                             | <b>641.39</b> |
| Chembond Water Technologies Ltd                  | 220.96        |                                         | 220.96        | 176.26        |                                         | 176.26        |
| Chembond Material Technologies Pvt Ltd           | 347.70        |                                         | 347.70        | 269.77        |                                         | 269.77        |
| Chembond Clean Water Technologies Ltd            | 0.81          |                                         | 0.81          | 2.64          |                                         | 2.64          |
| Chembond Calvatis Industrial Hygiene Systems Ltd | 170.29        |                                         | 170.29        | 116.51        |                                         | 116.51        |
| Chembond Distribution Ltd                        | 3.78          |                                         | 3.78          | 21.75         |                                         | 21.75         |
| Finor Piplaj Chemicals Ltd.                      |               | 13.33                                   | 13.33         |               | 2.59                                    | 2.59          |
| Phiroze Sethna Pvt Ltd                           | 85.69         |                                         | 85.69         | 0.19          |                                         | 0.19          |
| Chembond Polymers and Materials Ltd              | 0.19          |                                         | 0.19          | 0.27          |                                         | 0.27          |
| Chembond Biosciences Limited                     | 76.11         |                                         | 76.11         | 51.41         |                                         | 51.41         |
| Gramos Chemicals India Private Limited           | -             |                                         | -             | 0.23          |                                         | 0.23          |
| <b>Purchase of Goods</b>                         | <b>625.87</b> | <b>142.50</b>                           | <b>768.37</b> | <b>695.77</b> | <b>-</b>                                | <b>695.77</b> |
| Chembond Water Technologies Ltd                  | 69.54         |                                         | 69.54         | 48.40         |                                         | 48.40         |
| Chembond Material Technologies Pvt Ltd           | 325.29        |                                         | 325.29        | 160.02        |                                         | 160.02        |
| Chembond Clean Water Technologies Ltd            | 4.26          |                                         | 4.26          | 2.94          |                                         | 2.94          |
| Chembond Biosciences Limited                     | 49.24         |                                         | 49.24         | 44.30         |                                         | 44.30         |
| Chembond Distribution Ltd                        | 160.60        |                                         | 160.60        | 279.26        |                                         | 279.26        |
| Finor Piplaj Chemicals Ltd.                      |               | 142.50                                  | 142.50        | 155.27        |                                         | 155.27        |
| Phiroze Sethna Pvt Ltd                           | 15.23         |                                         | 15.23         | 4.98          |                                         | 4.98          |
| Chembond Polymers and Materials Ltd              | 0.14          |                                         | 0.14          | 0.60          |                                         | 0.60          |
| Chembond Calvatis Industrial Hygiene Systems Ltd | 1.56          |                                         | 1.56          | -             |                                         | -             |
| <b>Purchase of Fixed Assets</b>                  | <b>0.04</b>   | <b>-</b>                                | <b>0.04</b>   | <b>-</b>      | <b>-</b>                                | <b>-</b>      |
| Phiroze Sethna Pvt Ltd                           | 0.04          |                                         | 0.04          | -             |                                         | -             |



| For the year ended / as on                       | 31.03.2022      |                                         |                 | 31.03.2021      |                                         |                 |
|--------------------------------------------------|-----------------|-----------------------------------------|-----------------|-----------------|-----------------------------------------|-----------------|
| Description of the nature of transactions        | Subsidiary      | KMP & Entities where KMP are interested | Total           | Subsidiary      | KMP & Entities where KMP are interested | Total           |
| <b>Sale of Fixed Assets</b>                      | <b>0.28</b>     | <b>-</b>                                | <b>0.28</b>     | <b>2.70</b>     | <b>-</b>                                | <b>2.70</b>     |
| Chembond Clean Water Technologies Ltd            | 0.28            |                                         | 0.28            |                 |                                         |                 |
| Phiroze Sethna Pvt Ltd                           |                 |                                         | -               | 2.12            |                                         | 2.12            |
| Chembond Polymers and Materials Ltd              |                 |                                         | -               |                 |                                         | -               |
| Gramos Chemicals India Private Limited           |                 |                                         | -               | 0.58            |                                         | 0.58            |
| <b>Sale of Consumable</b>                        | <b>-</b>        | <b>-</b>                                | <b>-</b>        | <b>0.74</b>     | <b>-</b>                                | <b>0.74</b>     |
| Phiroze Sethna Pvt Ltd                           |                 |                                         | -               | 0.73            |                                         | 0.73            |
| Gramos Chemicals India Private Limited           |                 |                                         | -               | 0.01            |                                         | 0.01            |
| <b>Rent Income</b>                               | <b>69.30</b>    | <b>29.06</b>                            | <b>98.36</b>    | <b>59.70</b>    | <b>12.24</b>                            | <b>71.94</b>    |
| Chembond Water Technologies Ltd                  | 63.54           |                                         | 63.54           | 50.94           |                                         | 50.94           |
| Chembond Clean Water Technologies Ltd            | 4.50            |                                         | 4.50            | 5.70            |                                         | 5.70            |
| Chembond Material Technologies Pvt Ltd           | 0.60            |                                         | 0.60            | 1.20            |                                         | 1.20            |
| Chembond Polymers and Materials Ltd              | 0.42            |                                         | 0.42            | 0.42            |                                         | 0.42            |
| Chembond Distribution Ltd                        | 0.24            |                                         | 0.24            | 0.24            |                                         | 0.24            |
| Chembond Calvatis Industrial Hygiene Systems Ltd |                 |                                         | -               | 1.20            |                                         | 1.20            |
| Finor Piplaj Chemicals Ltd.                      |                 | 3.00                                    | 3.00            |                 | 3.00                                    | 3.00            |
| Oriano Clean Energy Pvt Ltd                      |                 | 26.06                                   | 26.06           |                 | 9.24                                    | 9.24            |
| <b>SubContract Receipt (Revenue)</b>             | <b>1,331.08</b> | <b>-</b>                                | <b>1,331.08</b> | <b>1,182.14</b> | <b>-</b>                                | <b>1,182.14</b> |
| Chembond Water Technologies Ltd                  | 839.96          |                                         | 839.96          | 792.27          |                                         | 792.27          |
| Chembond Material Technologies Pvt Ltd           | 397.22          |                                         | 397.22          | 301.01          |                                         | 301.01          |
| Chembond Biosciences Limited                     | 93.90           |                                         | 93.90           | 88.86           |                                         | 88.86           |
| <b>Service Charges(BSS) Income</b>               | <b>262.72</b>   | <b>-</b>                                | <b>262.72</b>   | <b>247.11</b>   | <b>-</b>                                | <b>247.11</b>   |
| Chembond Water Technologies Ltd                  | 238.08          |                                         | 238.08          | 206.35          |                                         | 206.35          |
| Chembond Polymers and Materials Ltd              | 24.64           |                                         | 24.64           | 40.76           |                                         | 40.76           |
| Chembond Calvatis Industrial Hygiene Systems Ltd |                 |                                         | -               | -               |                                         | -               |
| <b>Corporate Gurantee Fees Income</b>            | <b>20.50</b>    | <b>-</b>                                | <b>20.50</b>    | <b>20.50</b>    | <b>-</b>                                | <b>20.50</b>    |
| Chembond Water Technologies Ltd                  | 19.00           |                                         | 19.00           | 19.00           |                                         | 19.00           |
| Chembond Clean Water Technologies Ltd            | 1.50            |                                         | 1.50            | 1.50            |                                         | 1.50            |
| <b>Dividend Income</b>                           | <b>220.00</b>   | <b>-</b>                                | <b>220.00</b>   | <b>-</b>        | <b>-</b>                                | <b>-</b>        |
| Chembond Water Technologies Ltd                  | 220.00          |                                         | 220.00          | -               |                                         | -               |
| <b>Interest Income</b>                           | <b>165.62</b>   | <b>-</b>                                | <b>165.62</b>   | <b>159.07</b>   | <b>-</b>                                | <b>159.07</b>   |
| Chembond Material Technologies Pvt Ltd           | 115.92          |                                         | 115.92          | 115.92          |                                         | 115.92          |
| Chembond Biosciences Limited                     | 41.38           |                                         | 41.38           | 38.95           |                                         | 38.95           |
| Chembond Distribution Ltd                        |                 |                                         | -               | 2.76            |                                         | 2.76            |
| Chembond Polymers and Materials Ltd              | 0.53            |                                         | 0.53            | 0.29            |                                         | 0.29            |
| Phiroze Sethna Pvt Ltd                           | 7.79            |                                         | 7.79            | 1.14            |                                         | 1.14            |
| <b>Rental Expenses</b>                           | <b>-</b>        | <b>6.00</b>                             | <b>6.00</b>     | <b>-</b>        | <b>13.26</b>                            | <b>13.26</b>    |
| Finor Piplaj Chemicals Ltd.                      |                 | 6.00                                    | 6.00            |                 | 13.26                                   | 13.26           |
| <b>Reimbursement of expenses</b>                 | <b>9.20</b>     | <b>-</b>                                | <b>-</b>        | <b>-</b>        | <b>-</b>                                | <b>-</b>        |
| Chembond Material Technologies Pvt Ltd           | 4.60            |                                         | -               | -               |                                         | -               |
| Chembond Biosciences Limited                     | 4.60            |                                         | -               | -               |                                         | -               |
| <b>Director Remunration</b>                      | <b>-</b>        | <b>127.69</b>                           | <b>127.69</b>   | <b>-</b>        | <b>103.42</b>                           | <b>103.42</b>   |
| Sameer V .Shah                                   |                 | 82.69                                   | 82.69           |                 | 65.12                                   | 65.12           |
| Nirmal V. Shah                                   |                 | 45.00                                   | 45.00           |                 | 38.30                                   | 38.30           |
| <b>Director Sitting Fees</b>                     | <b>-</b>        | <b>13.43</b>                            | <b>13.43</b>    | <b>-</b>        | <b>9.38</b>                             | <b>9.38</b>     |
| Ashwin Nagarwadia                                |                 | 3.50                                    | 3.50            |                 | 3.16                                    | 3.16            |
| Mahendra Ghelani                                 |                 | 4.00                                    | 4.00            |                 | 3.13                                    | 3.13            |
| Sushil Lakhani                                   |                 | 3.00                                    | 3.00            |                 | 1.78                                    | 1.78            |
| Sarswati Sankar                                  |                 | 1.18                                    | 1.18            |                 | 0.88                                    | 0.88            |
| Dr.Prakash Trivedi                               |                 | 1.75                                    | 1.75            |                 | 0.44                                    | 0.44            |

| For the year ended / as on                       | 31.03.2022       |                                         |                  | 31.03.2021       |                                         |                  |
|--------------------------------------------------|------------------|-----------------------------------------|------------------|------------------|-----------------------------------------|------------------|
| Description of the nature of transactions        | Subsidiary       | KMP & Entities where KMP are interested | Total            | Subsidiary       | KMP & Entities where KMP are interested | Total            |
| <b>Professional &amp; Consulting Fees</b>        | -                | 32.77                                   | 32.77            | -                | 31.21                                   | 31.21            |
| Bhadresh D. Shah                                 |                  | 32.77                                   | 32.77            |                  | 31.21                                   | 31.21            |
| Royalty                                          | -                | 10.70                                   | 10.70            | -                | 11.40                                   | 11.40            |
| S and N Ventures Pvt Ltd                         |                  | 10.70                                   | 10.70            |                  | 11.40                                   | 11.40            |
| <b>Balance at the end of the year</b>            |                  |                                         |                  |                  |                                         |                  |
| <b>A. Loans Given</b>                            | <b>1,982.00</b>  | <b>-</b>                                | <b>1,982.00</b>  | <b>1,817.00</b>  | <b>-</b>                                | <b>1,817.00</b>  |
| Chembond Material Technologies Pvt Ltd           | 1,288.00         |                                         | 1,288.00         | 1,288.00         |                                         | 1,288.00         |
| Chembond Biosciences Limited                     | 604.00           |                                         | 604.00           | 434.00           |                                         | 434.00           |
| Chembond Polymers and Materials Ltd              |                  |                                         | -                | 50.00            |                                         | 50.00            |
| Phiroze Sethna Pvt Ltd                           | 90.00            |                                         | 90.00            | 45.00            |                                         | 45.00            |
| <b>B. Sundry Debtors</b>                         | <b>1,528.70</b>  | <b>1.86</b>                             | <b>1,530.56</b>  | <b>849.42</b>    | <b>1.75</b>                             | <b>851.16</b>    |
| Chembond Water Technologies Ltd                  | 76.72            |                                         | 76.72            | 108.35           |                                         | 108.35           |
| Chembond Clean Water Technologies Ltd            | 1.98             |                                         | 1.98             | 1.90             |                                         | 1.90             |
| Chembond Distribution Ltd                        | 3.43             |                                         | 3.43             | 34.96            |                                         | 34.96            |
| Chembond Calvatis Industrial Hygiene Systems Ltd | 31.59            |                                         | 31.59            | 31.14            |                                         | 31.14            |
| Chembond Material Technologies Pvt Ltd           | 968.88           |                                         | 968.88           | 491.31           |                                         | 491.31           |
| Chembond Polymers and Materials Ltd              | 6.41             |                                         | 6.41             | 21.25            |                                         | 21.25            |
| Chembond Biosciences Limited                     | 333.57           |                                         | 333.57           | 155.77           |                                         | 155.77           |
| Phiroze Sethna Pvt Ltd                           | 103.92           |                                         | 103.92           | 2.62             |                                         | 2.62             |
| Gramos Chemicals India Private Limited           | 2.19             |                                         | 2.19             | 2.12             |                                         | 2.12             |
| Finor Piplaj Chemicals Ltd.                      |                  | 1.86                                    | 1.86             |                  | 1.75                                    | 1.75             |
| <b>C. Sundry Creditors</b>                       | <b>46.62</b>     | <b>44.66</b>                            | <b>100.66</b>    | <b>11.86</b>     | <b>43.58</b>                            | <b>180.67</b>    |
| Chembond Water Technologies Ltd                  | 21.07            |                                         | 21.07            | 11.29            |                                         | 11.29            |
| Chembond Material Technologies Pvt Ltd           | 24.81            |                                         |                  |                  |                                         |                  |
| Chembond Biosciences Limited                     | 0.57             |                                         |                  |                  |                                         |                  |
| Chembond Clean Water Technologies Ltd            |                  |                                         | -                | 0.56             |                                         | 0.56             |
| Chembond Polymers and Materials Ltd              | 0.17             |                                         | 0.17             | -                |                                         | -                |
| S and N Ventures Pvt Ltd                         |                  |                                         | -                |                  | 1.18                                    | 1.18             |
| Finor Piplaj Chemicals Ltd.                      |                  | 44.66                                   | 44.66            |                  | 42.40                                   | 42.40            |
| Chembond Distribution Ltd                        | 34.76            |                                         | 34.76            | 125.23           |                                         | 125.23           |
| <b>D. Investments</b>                            | <b>11,368.64</b> | <b>-</b>                                | <b>11,368.64</b> | <b>11,368.64</b> | <b>-</b>                                | <b>11,368.64</b> |
| Chembond Water Technologies Ltd                  | 4,887.86         |                                         | 4,887.86         | 4,887.86         |                                         | 4,887.86         |
| Chembond Material Technologies Pvt Ltd           | 1,552.32         |                                         | 1,552.32         | 1,552.32         |                                         | 1,552.32         |
| Chembond Biosciences Limited                     | 190.00           |                                         | 190.00           | 190.00           |                                         | 190.00           |
| Chembond Calvatis Industrial Hygiene Systems Ltd | 32.39            |                                         | 32.39            | 32.39            |                                         | 32.39            |
| Chembond Distribution Ltd                        | 92.40            |                                         | 92.40            | 92.40            |                                         | 92.40            |
| Chembond Polymers and Materials Ltd              | 486.76           |                                         | 486.76           | 486.76           |                                         | 486.76           |
| Phiroze Sethna Pvt Ltd                           | 4,126.90         |                                         | 4,126.90         | 4,126.90         |                                         | 4,126.90         |

### 39 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31<sup>st</sup> March, 2022, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

**40 Tax Reconciliation**
**(a) The income tax expense consists of the followings:**
**Particulars**

Current Income Tax

Deferred Tax Expense

Short/Excess Provision

**Tax expense for the year**
**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate**

Profit before income tax expense

Indian statutory income tax rate (MAT)

Expected Income Tax expenses

**Part A**

Tax effect of amounts which are not deductible (allowable) in calculating taxable income:

Income exempt from income taxes

Additional allowances/deduction

Transition gain

Short/Excess Provision

Others

Current Tax (A)

**Part B**

Deferred Tax Effect at the rate of:

Depreciation

Investments at Fair Value

Less:

Gratuity

MAT Credit

Other Deferred tax Asset

Provision for Doubtful Debts

Deferred Tax (B)

**Tax Expense (A+B)**

| <b>2021-2022</b><br><b>(₹ In lakhs)</b> | <b>2020-2021</b><br><b>(₹ In lakhs)</b> |
|-----------------------------------------|-----------------------------------------|
|                                         |                                         |
| <b>252.76</b>                           | 266.12                                  |
| <b>(34.35)</b>                          | 30.90                                   |
| -                                       | 0.56                                    |
| <b>218.41</b>                           | 297.58                                  |
|                                         |                                         |
| <b>1,092.78</b>                         | 1,264.90                                |
| <b>17.47%</b>                           | 16.69%                                  |
| <b>190.93</b>                           | 211.14                                  |
|                                         |                                         |
| <b>0.00</b>                             | (8.91)                                  |
| <b>3.75</b>                             | 7.17                                    |
| <b>59.02</b>                            | 56.38                                   |
| <b>0.00</b>                             | 0.56                                    |
| <b>(0.94)</b>                           | 0.34                                    |
| <b>252.76</b>                           | 266.68                                  |
|                                         |                                         |
| <b>29.12%</b>                           | 29.12%                                  |
| <b>(4.45)</b>                           | (9.74)                                  |
| <b>11.44</b>                            | 42.26                                   |
|                                         |                                         |
| <b>3.03</b>                             | (0.52)                                  |
| <b>36.33</b>                            | (8.44)                                  |
| <b>(1.61)</b>                           | (1.06)                                  |
| <b>3.58</b>                             | 11.64                                   |
| <b>(34.35)</b>                          | 30.91                                   |
|                                         |                                         |
| <b>218.41</b>                           | 297.58                                  |

| <b>As at</b><br><b>31/03/2022</b><br><b>(₹ In lakhs)</b> | <b>As at</b><br><b>31/03/2021</b><br><b>(₹ In lakhs)</b> |
|----------------------------------------------------------|----------------------------------------------------------|
|----------------------------------------------------------|----------------------------------------------------------|

**41 Contingent Liabilities and Commitments (To the extent not provided for) :**
**Particulars**
**A) Contingent Liabilities not provided for :**
**a) Claims against the company not acknowledged as debts -**

i) Income Tax matter under Appeal

ii) Service tax due as per final audit report and show cause notice\*\*

iii) Income tax demands pending for rectification

|               |        |
|---------------|--------|
|               |        |
| <b>15.45</b>  | 13.18  |
| <b>265.71</b> | 278.96 |
| <b>98.35</b>  | 6.78   |

**b) Counter Guarantees given by Company for Bank Guarantees issued -**

- i) Outstanding L.C & Bank Guarantees issued by Bankers.
- ii) Corporate Guarantee given to Bank of India by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Step Subsidiary Chembond Clean Water Technologies Ltd.

**B) Capital Commitments**

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)

\*\* As per the SCN issued for service tax matters, there may be additional liability of interest and penalty, quantum of which is not ascertained.

| As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------|-------------------------------------|
| 64.87                               | 57.29                               |
| 2050.00                             | 2050.00                             |
| 0.12                                | 5.00                                |

**NOTE : 42**
**ADDITIONAL REGULATORY INFORMATION**
**(a) Current Ratio**

Current Assets(A)

Current Liabilities(B)

**Current Ratio( A/B)**

Increase in Invt. & Trade receivables and decrease in trade payables

| 2021-2022<br>(₹ In lakhs) | 2020-21<br>(₹ In lakhs) |
|---------------------------|-------------------------|
| 8,557.87                  | 7,439.37                |
| 863.61                    | 999.07                  |
| 9.91                      | 7.45                    |

**(b) Debt-Equity Ratio**

Total Borrowings(A)

Total Shareholders' Equity(B) - Total Equity

**Debt-Equity Ratio( A/B)**

|           |           |
|-----------|-----------|
| -         | -         |
| 24,501.26 | 23,930.28 |
| -         | -         |

**(c) Debt Service Coverage Ratio**

EBITDA(A) - PBT+Finance Costs + Depreciation

Interest on Loan+Loan repayment in a year(B)

**Debt Service Coverage Ratio( A/B)**

|          |          |
|----------|----------|
| 1,367.53 | 1,552.47 |
| 0.00     | 0.00     |
| -        | -        |

**(d) Return on Equity Ratio**

Net Profit(A)

Average Shareholders Euity(B)

**Return on Equity Ratio( A/B)**

|           |           |
|-----------|-----------|
| 874.37    | 967.32    |
| 24,215.77 | 23,447.28 |
| 3.61%     | 4.13%     |

**(e) Inventory turnover ratio**

Raw materials, components, finished goods and work in progress consumed (A)

Average Inventory(B)

**Inventory turnover Ratio( A/B)**

Decrease in inventory & increase in cost of goods sold due to proportionate increase in sales

|          |          |
|----------|----------|
| 2,271.98 | 1,895.75 |
| 340.12   | 429.93   |
| 6.68     | 4.41     |

**(f) Trade receivables turnover ratio**

Net sales(A)

Average Accounts receivable(B)

**Trade receivable turnover Ratio( A/B)**

|          |          |
|----------|----------|
| 4,616.64 | 4,203.69 |
| 1,990.28 | 1,769.58 |
| 2.32     | 2.38     |

**(g) Trade Payables turnover ratio**

Net Purchases(A)

Average trade payable(B)

**Trade Payables turnover Ratio( A/B)**
**(h) Net Capital turnover ratio**

Net sales(A)

Net Working Capital(B) - Current assets less current liabilities

**Net Capital turnover Ratio( A/B)**
**(i) Net Profit ratio**

Net Profit(A)

Net Sales(B)

**Net Profit Ratio( A/B)**
**(j) Return on Capital employed**

EBIT(A) - PBT+Finance Costs

Shareholders Equity+Long term liabilities(B) - Total Equity + Deferred tax liabilities

**Return on Capital employed( A/B)**
**(k) Return on Investment**

Net Profit(A)

Net assets(B) - Fixed assets + Current assets less current liabilities

**Return on Investment( A/B)**

| 2021-2022    | 2020-21      |
|--------------|--------------|
| (₹ In lakhs) | (₹ In lakhs) |
| 2,271.98     | 1,895.75     |
| 673.71       | 684.16       |
| 3.37         | 2.77         |
| 4,616.64     | 4,203.69     |
| 7,694.26     | 6,440.30     |
| 0.60         | 0.65         |
| 874.37       | 967.32       |
| 4,616.64     | 4,203.69     |
| 19%          | 23%          |
| 1,097.60     | 1,272.01     |
| 24,604.39    | 24,093.54    |
| 0.04         | 0.05         |
| 874.37       | 967.32       |
| 10,946.82    | 9,855.09     |
| 8%           | 10%          |

**NOTE : 43**
**Ageing Schedule for Trade receivables**

 Ageing for trade receivables outstanding as on 31<sup>st</sup> Mar'22 is as follows :

(₹ in lakhs)

| Particulars                                                                       | Outstanding for following periods from due date of payment |                    |                   |           |           |                   |                 |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
|                                                                                   | Not Due                                                    | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total           |
| i) Undisputed trade receivables - considered good                                 | 453.12                                                     | 814.65             | 313.00            | 226.46    | 110.86    | 319.93            | 2,238.02        |
| ii) Undisputed trade receivables - which have significant increase in credit risk |                                                            |                    |                   |           |           |                   | -               |
| iii) undisputed trade receivables - credit impaired                               |                                                            |                    |                   |           |           |                   | -               |
| iv) Disputed trade receivables - considered good                                  |                                                            |                    |                   |           |           |                   | -               |
| v) Disputed trade receivables - which have significant increase in credit risk    |                                                            |                    |                   |           |           |                   | -               |
| vi) Disputed trade receivables - credit impaired                                  |                                                            |                    |                   |           |           |                   | -               |
| Less : Allowance for doubtful trade receivables                                   |                                                            |                    |                   |           |           |                   | (98.87)         |
| <b>Trade receivables</b>                                                          |                                                            |                    |                   |           |           |                   | <b>2,139.15</b> |

Ageing for trade receivables outstanding as on 31<sup>st</sup> Mar'21 is as follows :

(₹ in lakhs)

| Particulars                                                                       | Outstanding for following periods from due date of payment |                    |                   |           |           |                   |                 |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
|                                                                                   | Not Due                                                    | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total           |
| i) Undisputed trade receivables - considered good                                 | 605.62                                                     | 791.24             | 83.72             | 112.99    | 103.08    | 231.33            | 1,927.97        |
| ii) Undisputed trade receivables - which have significant increase in credit risk |                                                            |                    |                   |           |           |                   | -               |
| iii) undisputed trade receivables - credit impaired                               |                                                            |                    |                   |           |           |                   | -               |
| iv) Disputed trade receivables - considered good                                  |                                                            |                    |                   |           |           |                   | -               |
| v) Disputed trade receivables - which have significant increase in credit risk    |                                                            |                    |                   |           |           |                   | -               |
| vi) Disputed trade receivables - credit impaired                                  |                                                            |                    |                   |           |           |                   | -               |
| Less : Allowance for doubtful trade receivables                                   |                                                            |                    |                   |           |           |                   | (86.56)         |
| <b>Trade receivables</b>                                                          |                                                            |                    |                   |           |           |                   | <b>1,841.41</b> |

**NOTE : 44**

**Ageing Schedule for Trade Payables**

Ageing for trade Payables outstanding as on 31<sup>st</sup> Mar'22 is as follows :

(₹ in lakhs)

| Particulars                | Outstanding for following periods from due date of payment |                |          |         |                  |               |
|----------------------------|------------------------------------------------------------|----------------|----------|---------|------------------|---------------|
|                            | Not Due                                                    | Less than 1 yr | 1 -2 yrs | 2-3 yrs | More than 3 yrs. | Total         |
| I) MSME                    | 23.30                                                      | 1.27           | 0.02     | -       | -                | 24.59         |
| II) Others                 | 320.59                                                     | 168.18         | (0.73)   | 8.88    | 33.79            | 530.72        |
| III) Disputed dues - MSME  | -                                                          | -              | -        | -       | -                | -             |
| IV) Disputed dues - Others | -                                                          | -              | -        | -       | -                | -             |
| Accrued expenses           |                                                            |                |          |         |                  | 52.88         |
| <b>Net trade payables</b>  |                                                            |                |          |         |                  | <b>608.19</b> |

Ageing for trade Payables outstanding as on 31<sup>st</sup> Mar'21 is as follows :

(₹ in lakhs)

| Particulars                | Outstanding for following periods from due date of payment |                |          |         |                  |               |
|----------------------------|------------------------------------------------------------|----------------|----------|---------|------------------|---------------|
|                            | Not Due                                                    | Less than 1 yr | 1 -2 yrs | 2-3 yrs | More than 3 yrs. | Total         |
| I) MSME                    | 79.90                                                      | 26.01          | -        | -       | -                | 105.92        |
| II) Others                 | 354.96                                                     | 214.27         | 7.39     | 4.40    | 25.19            | 606.22        |
| III) Disputed dues - MSME  |                                                            |                |          |         |                  | -             |
| IV) Disputed dues - Others |                                                            |                |          |         |                  | -             |
| Accrued expenses           |                                                            |                |          |         |                  | 27.10         |
| <b>Net trade payables</b>  |                                                            |                |          |         |                  | <b>739.23</b> |



**NOTE : 45****Ageing Schedule for Capital Work in Progress**Ageing for CWIP as on 31<sup>st</sup> Mar'22 is as follows :

(₹ in lakhs)

| Particulars                        | Amount in CWIP for period of |           |           |                   |              |
|------------------------------------|------------------------------|-----------|-----------|-------------------|--------------|
|                                    | Less than 1 year             | 1-2 years | 2-3 years | More than 3 years | Total        |
| i) Projects in progress            | 30.90                        | -         | 9.16      | -                 | 40.07        |
| ii) Projects temporarily suspended | -                            | -         | -         | -                 | -            |
| <b>Total</b>                       |                              |           |           |                   | <b>40.07</b> |

Ageing for CWIP as on 31<sup>st</sup> Mar'21 is as follows :

(₹ in lakhs)

| Particulars                        | Amount in CWIP for period of |           |           |                   |              |
|------------------------------------|------------------------------|-----------|-----------|-------------------|--------------|
|                                    | Less than 1 year             | 1-2 years | 2-3 years | More than 3 years | Total        |
| i) Projects in progress            | 33.75                        | 9.15      | -         | -                 | 42.90        |
| ii) Projects temporarily suspended | -                            | -         | -         | -                 | -            |
| <b>Total</b>                       |                              |           |           |                   | <b>42.90</b> |

**NOTE : 46****Additional regulatory information not disclosed elsewhere in the financial information**

- A The Company do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- B The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

| Name of Struck off Company                     | Nature of transactions with struck-off Company | Balance Outstanding as on 31 <sup>st</sup> Mar'22 | Balance Outstanding as on 31 <sup>st</sup> Mar'21 | Relationship with the Struck off company, if any, to be disclosed |
|------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|
| Lanxess India Private Limited                  | Receivables                                    | 0.36                                              | 0.36                                              | Nil                                                               |
| Shree Engineers Infrastructure Private Limited | Receivables                                    | (0.02)                                            | (0.02)                                            | Nil                                                               |

- C The Company does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period except the following :

| Brief description of the charges or satisfaction                       | Amount (Rs in lakhs) | Location of the Registrar | Period (in days or months) by which such charge had to be registered / satisfied | Remarks                                                                                                                                                                                |
|------------------------------------------------------------------------|----------------------|---------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deed of Hypothecation of stocks (Bank Name :BOI, Charge ID : 90141528) | 0.50                 | Mumbai                    | -                                                                                | The charge is open in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from Bank of India, though there are no outstanding to the bank. |

| Brief description of the charges or satisfaction                           | Amount (Rs in lakhs) | Location of the Registrar | Period (in days or months) by which such charge had to be registered / satisfied | Remarks                                                                                                                                                                                                          |
|----------------------------------------------------------------------------|----------------------|---------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hypothecation of tangible property (Bank Name :MSFC, Charge ID : 90141731) | 15.00                | Mumbai                    | -                                                                                | The charge is open in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from Maharashtra State Financial Corporation, though there are no outstanding to the bank. |

- D The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- E The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- F The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- G The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- H The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- I The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**NOTE : 47****Working Capital Facilities:-****Details of credit facilities from banks:**

The Company has sanctioned credit facilities from HDFC Bank of ₹ 879.00 lakhs (i.e cash credit facility - ₹579.00 lakhs and letter of credit - ₹ 300.00 lakhs)

The Company has not utilised cash credit facilities at the year end.

**Terms of loan**

- a) The credit facility carries interest at mutually agreed rates, (interest payable on monthly rests).
- b) The credit facility is secured by : Hypothecation of stocks and bookdebts, Factory land & building and post dated cheque of INR 50 Mn.

**Working capital reconciliation :** Statements filed with banks reconciled with Books of account

There were no differences for stock statements of all quarters and debtors statement for Jul to Sep 2021 period.  
(₹ in lakhs)

| Quarter         | Name of Bank | Particulars of securities provided | Amt. as per books of account | Amount as reported in the Quarterly return/ Statement | Amt. of Difference | Reason for Material discrepancies                                                                                                                 |
|-----------------|--------------|------------------------------------|------------------------------|-------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Apr'21 - Jun'21 | HDFC Bank    | Debtors                            | 2,018.89                     | 2,067.90                                              | (49.01)            | These discrepancies are primarily on account of Provision for doubtful debts which is considered in the financials post finalisation of accounts. |
| Oct'21 - Dec'21 | HDFC Bank    | Debtors                            | 2,464.05                     | 2,483.92                                              | (19.88)            | These discrepancies are primarily on account of Provision for doubtful debts which is considered in the financials post finalisation of accounts. |
| Jan'22 - Mar'22 | HDFC Bank    | Debtors                            | 2,139.15                     | 2,196.92                                              | (57.77)            | These discrepancies are primarily on account of Provision for doubtful debts which is considered in the financials post finalisation of accounts. |

#### 48 FIRE INCIDENT

A fire broke out at our Tarapur, Maharashtra plant on 21<sup>st</sup> April, 2022. This incident resulted in 1 fatality. The fire has resulted in disruption of operations at the plant owing to damage to some inventory (est. at ₹ 119.50 lakhs) and property, plant and equipment (est. at ₹ 637.99 lakhs). Alternate arrangements for continuity of operations have been made. The Company has insurance policies covering inventory, property, plant and equipment and a claim has been filed. This being an event occurring after the balance sheet date, the impact of loss will be accounted for in FY 2022-23.

**49** The company has evaluated the option permitted under section 115BAA of the Income Tax Act, 1961 (the "Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has presently decided to continue with the existing tax structure.

**50** The previous year figures have been regrouped, reallocated or reclassified wherever necessary to confirm to current year classification and presentation.

As per our attached report of even date

**On behalf of the Board of Directors**

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Chembond Chemicals Limited**

### Report on the Audit of the Consolidated Financial Statements:

#### Opinion

We have audited the consolidated financial statements of Chembond Chemicals Limited ("the Company") and its subsidiaries listed in Annexure - A (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2022, the consolidated statement of Profit and Loss, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2022, of its consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Emphasis of Matter –

We draw attention to Note no. 50 to the consolidated financial statements, which describes the effects of a fire in the Group's production facilities. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the 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.

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Contingent liabilities for tax matters</b><br><br>The Group has disclosed in Note no. 44 to the consolidated financial statements the contingent liabilities as at 31 <sup>st</sup> March, 2022 which includes disputed liabilities in respect of income tax, sales tax and service tax matters.<br><br>These involve a high degree of judgement to determine the possible outcomes and estimates relating to the timing and the amount of outflows of resources embodying economic benefits. | <b>The audit procedures included but were not limited to:</b><br><br>a) Obtained the summary of all disputed tax matters of the Group and assessed the management's position through discussions.<br><br>b) Obtaining a detailed understanding of processes and controls of the Management with respect to disputed matters.<br><br>c) Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with basis and future course of action contemplated by the Group and perusing legal opinions, if any, obtained by the management.<br><br>d) Evaluating the evidences supporting the judgement of the management about the possible outcomes and the reasonableness of the estimates.<br><br>e) Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards. |

## Other Matters

a) We did not audit the financial statements of three Indian subsidiaries and one step down subsidiary that are included in the consolidated financial statements, whose financial statements, without giving effect to elimination of intra-group transactions, reflect total asset of Rs.9,008.08 lakhs as at March 31, 2022, total revenue from operations of ₹4,527.27 lakhs and ₹15,765.65 lakhs for the quarter and year ended March 31, 2022 respectively, total loss after tax of ₹ (66.95) lakhs and ₹ (404.38) lakhs for the quarter and year ended March 31, 2022 respectively, total comprehensive income of ₹ (59.87) lakhs and ₹ (386.58) lakhs for the quarter and year ended March 31, 2022 respectively and net cash inflow of ₹89.98 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiaries and step-down subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated under the Auditors Responsibilities section above.

b) The financial statements of two step down foreign subsidiaries included in the consolidated financial statements, whose financial statements, without giving effect to elimination of intra-group transactions, reflects total asset of ₹225.57 lakhs as at March 31, 2022, total revenues of ₹ 59.23 lakhs and ₹ 197.96 lakhs for the quarter and year ended March 31, 2022 respectively, total profit / (loss) after tax of ₹ (2.72) lakhs and ₹(5.96) lakhs for the quarter and year ended March 31, 2022 respectively, total comprehensive income of ₹ (2.72) and ₹ (5.96) for the quarter and year ended March 31, 2022 respectively are audited by other auditors according to accounting principles generally accepted in that foreign country. The Holding Company's management has converted the financial statements of such foreign subsidiaries from accounting principles generally accepted in that foreign country to accounting principles generally accepted in India. Accordingly, our report on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiaries is based solely on the basis of the said financial statements certified by the management. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

## Responsibilities of management and Those Charged with Governance for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity 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 consolidated 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 Company, as aforesaid.



In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:**

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.

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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Company 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 such 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 financial information of such entities.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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**

### **1. As required by Section 143 (3) of the Act, we report that:**

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- c. The consolidated balance sheet, the consolidated statement of profit and loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022, 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 - B".

### **2. With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose impact of pending litigations on the financial position of the Group. – Refer Note no. 44 to the consolidated financial statements;

- ii. the Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- iv.
  - a. The respective managements of the Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in note no. 49(D) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company or its subsidiary companies, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The respective managements of the Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note no. 49(E) to the accompanying consolidated financial statements, no funds have been received by the Company or its subsidiary companies, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company, or any such subsidiary companies, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The dividend declared or paid during the year by the Company and its Indian subsidiaries is in compliance with Section 123 of the Act.

**3. With respect to the matter to be included in the Auditors' Report under section 197(16):**

In our opinion and according to the information and explanations given to us and the reports of the statutory auditors of its subsidiaries incorporated in India, the Company and its subsidiaries where applicable has paid and / or provided remuneration to its directors

during the year ended 31<sup>st</sup> March, 2022 in accordance with the provisions of Section 197 of the Act.

**For Bathiya & Associates LLP**

Chartered Accountants  
Firm Registration No. 101046W / W100063

Jatin A. Thakkar  
Partner  
Membership No.: 134767  
Place : Mumbai  
Date : May 14, 2022  
UDIN : 22134767AIZKVU5670

**Annexure - A List of subsidiaries included in the Consolidated Financial Statements**

| Sr. No. | Name of the entity                                   | Relationship                         |
|---------|------------------------------------------------------|--------------------------------------|
| 1.      | Chembond Water Technologies Limited                  | Subsidiary Company                   |
| 2.      | Chembond Polymers and Materials Limited              | Subsidiary Company                   |
| 3.      | Chembond Calvatis Industrial Hygiene Systems Limited | Subsidiary Company                   |
| 4.      | Chembond Material Technologies Private Limited       | Subsidiary Company                   |
| 5.      | Chembond Biosciences Limited                         | Subsidiary Company                   |
| 6.      | Phiroze Sethna Private Limited                       | Subsidiary Company                   |
| 7.      | Chembond Distribution Limited                        | Subsidiary Company                   |
| 8.      | Chembond Clean Water Technologies Limited            | Step down Subsidiary Company         |
| 9.      | Gramos Chemicals India Private Limited               | Step down Subsidiary Company         |
| 10.     | Chembond Water Technologies (Malaysia) Sdn. Bhd.     | Step down Foreign Subsidiary Company |
| 11.     | Chembond Water Technologies (Thailand) Limited       | Step down Foreign Subsidiary Company |

**Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31<sup>st</sup> March, 2022)

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

In conjunction with our audit of the consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2022, we have audited the internal financial controls over financial reporting of Chembond Chemicals Limited ("the Company") and its subsidiaries which are incorporated in India as of 31<sup>st</sup> March, 2022.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India 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 the respective 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**

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 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiaries 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<sup>st</sup> March, 2022, based on the internal control over financial reporting criteria established by the Company and its subsidiaries incorporated in India 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.

### **Other Matter**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting in so far as it relates to three subsidiary companies and one step down subsidiary, which are companies incorporated in India, is based on the corresponding reports of the Auditors of such companies incorporated in India.

Our opinion is not qualified in respect of this matter.

### **For Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

### **Jatin A. Thakkar**

Partner

Membership No.: 134767

Place : Mumbai

Date : May 14, 2022

UDIN: 22134767AIZKVU5670

Consolidated Balance Sheet as at 31<sup>st</sup> March 2022

|                                                                          | Notes       | As at 31/03/2022<br>(₹ In lakhs) | As at 31/03/2021<br>(₹ In lakhs) |
|--------------------------------------------------------------------------|-------------|----------------------------------|----------------------------------|
| <b>Assets</b>                                                            |             |                                  |                                  |
| <b>Non-current assets</b>                                                |             |                                  |                                  |
| (a) Property, plant and equipment                                        | 2           | 4,531.26                         | 4,602.99                         |
| (b) Capital work-in-progress                                             | 2           | 70.22                            | 36.75                            |
| (c) Goodwill                                                             | 2           | 7,489.45                         | 7,489.45                         |
| (d) Other Intangible Assets                                              | 2           | 48.79                            | 62.94                            |
| (e) Financial Assets                                                     |             |                                  |                                  |
| i) Investments                                                           | 3           | 2,958.51                         | 3,520.17                         |
| ii) Other financial assets                                               | 4           | 600.90                           | 491.45                           |
| (f) Deferred tax Assets (net)                                            | 5           | 226.11                           | 208.46                           |
| (g) Income tax asset (net)                                               | 6           | 707.40                           | 616.56                           |
| (h) Other non-current assets                                             | 7           | 113.13                           | 79.15                            |
| <b>Total Non-current assets</b>                                          |             | <b>16,745.77</b>                 | <b>17,107.92</b>                 |
| <b>Current Assets</b>                                                    |             |                                  |                                  |
| (a) Inventories                                                          | 8           | 3,393.02                         | 2,932.94                         |
| (b) Financial Assets                                                     |             |                                  |                                  |
| i) Investments                                                           | 9           | 4,585.00                         | 3,763.04                         |
| ii) Trade receivables                                                    | 10          | 8,962.98                         | 8,353.24                         |
| iii) Cash and cash equivalents                                           | 11          | 897.74                           | 968.96                           |
| iv) Bank balances other than (iii) above                                 | 12          | 1,046.28                         | 1,571.60                         |
| v) Loans                                                                 | 13          | 22.93                            | 35.19                            |
| vi) Other financial assets                                               | 14          | 74.98                            | 59.31                            |
| (c) Current Tax (Net)                                                    | 15          | 29.84                            | 10.02                            |
| (d) Other current assets                                                 | 16          | 345.29                           | 609.31                           |
| <b>Total current assets</b>                                              |             | <b>19,358.06</b>                 | <b>18,303.61</b>                 |
| <b>Total</b>                                                             |             | <b>36,103.83</b>                 | <b>35,411.53</b>                 |
| <b>Equity And Liabilities</b>                                            |             |                                  |                                  |
| <b>Equity</b>                                                            |             |                                  |                                  |
| (a) Equity Share Capital                                                 | 17          | 672.41                           | 672.41                           |
| (b) Other equity                                                         | 18          | 29,722.64                        | 28,646.73                        |
| (c) Equity attributable to the owners of the company                     |             | 30,395.05                        | 29,319.13                        |
| (d) Non Controlling interest                                             | 19          | 131.68                           | 125.35                           |
| <b>Total Equity</b>                                                      |             | <b>30,526.73</b>                 | <b>29,444.49</b>                 |
| <b>Liabilities</b>                                                       |             |                                  |                                  |
| <b>Non-Current Liabilities</b>                                           |             |                                  |                                  |
| (a) Financial liabilities                                                |             |                                  |                                  |
| i) Borrowings                                                            | 20          | 70.61                            | 64.09                            |
| (b) Provisions                                                           | 21          | 107.37                           | 126.65                           |
| <b>Total Non-current liabilities</b>                                     |             | <b>177.98</b>                    | <b>190.74</b>                    |
| <b>Current liabilities</b>                                               |             |                                  |                                  |
| (a) Financial liabilities                                                |             |                                  |                                  |
| i) Borrowings                                                            | 22          | 80.02                            | 123.97                           |
| ii) Trade payables                                                       |             | 3,909.60                         | 4,321.53                         |
| Trade payables -MSMED                                                    | 23          | 834.18                           | 664.93                           |
| Trade payables -Others                                                   | 23          | 3,075.42                         | 3,656.60                         |
| iii) Other financial liabilities                                         | 24          | 877.07                           | 899.71                           |
| (b) Other current liabilities                                            | 25          | 439.23                           | 422.00                           |
| (c) Provisions                                                           | 26          | 93.20                            | 9.09                             |
| <b>Total current liabilities</b>                                         |             | <b>5,399.12</b>                  | <b>5,776.30</b>                  |
| <b>Total</b>                                                             |             | <b>36,103.83</b>                 | <b>35,411.53</b>                 |
| <b>Significant Accounting Policies and Notes on Financial Statements</b> | <b>1-53</b> |                                  |                                  |

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2022**

|                                                                                  | Notes | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|----------------------------------------------------------------------------------|-------|---------------------------|---------------------------|
| Revenue From Operations                                                          | 27    | 34,941.63                 | 27,444.58                 |
| Other Income                                                                     | 28    | 817.53                    | 1,533.09                  |
| <b>Total Income</b>                                                              |       | <b>35,759.16</b>          | <b>28,977.67</b>          |
| <b>Expenses :</b>                                                                |       |                           |                           |
| Cost of Materials Consumed                                                       | 29    | 16,540.19                 | 12,187.93                 |
| Purchases of Stock-in-trade                                                      | 30    | 3,923.35                  | 2,181.99                  |
| Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade    | 31    | (96.38)                   | (37.95)                   |
| Employee Benefits Expense                                                        | 32    | 6,258.92                  | 5,395.66                  |
| Finance Costs                                                                    | 33    | 68.91                     | 42.19                     |
| Depreciation and Amortisation expense                                            | 34    | 447.86                    | 455.45                    |
| Other Expenses                                                                   | 35    | 6,562.55                  | 5,899.48                  |
| <b>Total Expenses</b>                                                            |       | <b>33,705.40</b>          | <b>26,124.75</b>          |
| <b>Profit before Tax</b>                                                         |       | <b>2,053.76</b>           | <b>2,852.92</b>           |
| Current Tax                                                                      |       | 666.12                    | 901.11                    |
| Deferred Tax                                                                     |       | (19.39)                   | (52.41)                   |
| Short/Excess provision of IT for earlier year                                    |       | 8.46                      | (36.67)                   |
| <b>Total Tax Expense</b>                                                         |       | <b>655.19</b>             | <b>812.03</b>             |
| <b>Profit for the Year</b>                                                       |       | <b>1,398.57</b>           | <b>2,040.89</b>           |
| <b>Other Comprehensive Income</b>                                                |       |                           |                           |
| i) Items that will not be reclassified to profit or loss                         |       | 9.50                      | 19.91                     |
| ii) Income Tax relating to items that will not be reclassified to profit or loss |       | 2.06                      | -3.85                     |
| i) Items that will be reclassified to profit or loss                             |       | -                         | -                         |
| ii) Income Tax relating to items that will be reclassified to profit or loss     |       | -                         | -                         |
| <b>Other Comprehensive Income (1+2)</b>                                          |       | <b>11.56</b>              | <b>16.06</b>              |
| <b>Total Comprehensive Income</b>                                                |       | <b>1,410.13</b>           | <b>2,056.95</b>           |
| <b>Profit attributable to:</b>                                                   |       |                           |                           |
| Owners of the Company                                                            |       | 1,392.06                  | 2,034.43                  |
| Non Controlling Interests                                                        |       | 6.51                      | 6.45                      |
| Other Comprehensive Income attributable to-<br>Owners of the Company             |       | 11.75                     | 16.05                     |
| Non Controlling Interests                                                        |       | (0.18)                    | 0.01                      |
| Total Comprehensive Income attributable to-<br>Owners of the Company             |       | 1403.81                   | 2,050.48                  |
| Non Controlling Interests                                                        |       | 6.32                      | 6.46                      |
| Earning Per Equity Share of Face Value of Rs. 5 each                             | 36    |                           |                           |
| Basic (in ₹)                                                                     |       | 10.35                     | 15.13                     |
| Diluted (in ₹)                                                                   |       | 10.35                     | 15.13                     |
|                                                                                  | 1-53  |                           |                           |

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

## (a) Equity share capital

|                                                                   | No. of Shares | (₹. In lakhs) |
|-------------------------------------------------------------------|---------------|---------------|
| <b>Balance as at 31<sup>st</sup> March 2020</b>                   | 1,34,48,288   | 672.41        |
| Changes in Equity share capital due to prior period errors        | -             | -             |
| Restated balance at the beginning of the current reporting period | -             | -             |
| Changes in equity share capital during the current year           | -             | -             |
| <b>Balance as at 31<sup>st</sup> March 2021</b>                   | 1,34,48,288   | 672.41        |
| Changes in Equity share capital due to prior period errors        | -             | -             |
| Restated balance at the beginning of the current reporting period | -             | -             |
| Changes in equity share capital during the current year           | -             | -             |
| <b>Balance as at 31<sup>st</sup> March 2022</b>                   | 1,34,48,288   | 672.41        |

## (b) Other Equity

| Particulars                                                            | Reserves and Surplus             |                 |               |                   | OCI                                             | Total other equity | Non-Controlling interests |
|------------------------------------------------------------------------|----------------------------------|-----------------|---------------|-------------------|-------------------------------------------------|--------------------|---------------------------|
|                                                                        | Capital Reserve on Consolidation | General Reserve | Share Premium | Retained earnings | Remeasurements of the net defined benefit Plans |                    |                           |
| <b>Balance as at 31<sup>st</sup> March 2020</b>                        | <b>14.72</b>                     | <b>1,222.42</b> | <b>613.05</b> | <b>24,336.68</b>  | <b>8.67</b>                                     | <b>26,195.52</b>   | <b>524.91</b>             |
| Profit for the year                                                    |                                  |                 | -             | 2,034.43          |                                                 | 2,034.43           | 6.45                      |
| Effect of previous year transaction                                    |                                  |                 |               | -                 |                                                 | -                  |                           |
| Other comprehensive income for the year                                |                                  |                 |               |                   | 16.05                                           | 16.05              | 0.01                      |
| <b>Total comprehensive income for the year</b>                         |                                  | -               | -             | <b>2,034.43</b>   | <b>16.05</b>                                    | <b>2,050.48</b>    | <b>6.46</b>               |
| Transfer to General Reserve                                            |                                  | 70.00           |               | (70.00)           |                                                 | -                  |                           |
| Interim Dividend                                                       |                                  |                 |               | -                 |                                                 | -                  |                           |
| Tax on Interim Dividend                                                |                                  |                 |               | -                 |                                                 | -                  |                           |
| Previous Year Dividend                                                 |                                  |                 |               | -                 |                                                 | -                  |                           |
| Dividend Paid                                                          |                                  |                 |               | -                 |                                                 | -                  |                           |
| Tax on Dividend Paid                                                   |                                  |                 |               | -                 |                                                 | -                  |                           |
| Set off of Dividend Tax in respect of Dividend from Subsidiary Company |                                  |                 |               | -                 |                                                 | -                  |                           |
| Deduction during the year                                              |                                  |                 |               | 400.72            |                                                 | 400.72             | 406.01                    |
| <b>Balance as at 31<sup>st</sup> March 2021</b>                        | <b>14.72</b>                     | <b>1,292.42</b> | <b>613.05</b> | <b>26,701.83</b>  | <b>24.72</b>                                    | <b>28,646.73</b>   | <b>125.35</b>             |
| Profit for the year                                                    |                                  |                 | -             | 1,361.26          |                                                 | 1,361.26           | 6.51                      |
| Effect of previous year transaction                                    |                                  |                 |               | -                 |                                                 | -                  |                           |
| Other comprehensive income for the year                                |                                  |                 |               |                   | 11.75                                           | 11.75              | (0.18)                    |
| <b>Total comprehensive income for the year</b>                         |                                  | -               | -             | <b>1,361.26</b>   | <b>11.75</b>                                    | <b>1,373.01</b>    | <b>6.32</b>               |
| Transfer to General Reserve                                            |                                  | -               |               | -                 |                                                 | -                  |                           |
| Prior Period Items                                                     |                                  |                 |               | 4.41              |                                                 | 4.41               |                           |
| Interim Dividend                                                       |                                  |                 |               | -                 |                                                 | -                  |                           |
| Tax on Interim Dividend                                                |                                  |                 |               | -                 |                                                 | -                  |                           |
| Previous Year Dividend                                                 |                                  |                 |               | -                 |                                                 | -                  |                           |
| Dividend Paid                                                          |                                  |                 |               | 302.59            |                                                 | 302.59             |                           |
| Tax on Dividend Paid                                                   |                                  |                 |               | -                 |                                                 | -                  |                           |
| Set off of Dividend Tax in respect of Dividend from Subsidiary Company |                                  |                 |               | -                 |                                                 | -                  |                           |
| Deduction during the year                                              |                                  |                 |               | 9.89              |                                                 | 9.89               | -                         |
| <b>Balance as at 31<sup>st</sup> March 2022</b>                        | <b>14.72</b>                     | <b>1,292.42</b> | <b>613.05</b> | <b>27,765.99</b>  | <b>36.47</b>                                    | <b>29,722.64</b>   | <b>131.68</b>             |

As per our attached report of even date

On behalf of the Board of Directors

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary



**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2022**

(₹ In Lakhs)

| Particulars |                                                                                | 2021-2022 |            | 2020-2021 |            |
|-------------|--------------------------------------------------------------------------------|-----------|------------|-----------|------------|
| <b>A</b>    | <b>Cash Flow from Operating Activities</b>                                     |           |            |           |            |
|             | Profit before tax                                                              |           | 2053.76    |           | 2,852.90   |
|             | Adjustments for :                                                              |           |            |           |            |
|             | Depreciation and amortisation                                                  | 447.86    |            | 455.45    |            |
|             | Loss on Sale of Property, plant & equipments                                   | 1.91      |            | 5.06      |            |
|             | Finance Cost                                                                   | 68.91     |            | 42.19     |            |
|             |                                                                                |           | 518.68     |           | 502.71     |
|             | <b>Less :</b>                                                                  |           |            |           |            |
|             | Foreign Exchange Fluctuation                                                   | 5.14      |            | 0.60      |            |
|             | Net Gain on sale of Investments                                                | 272.05    |            | 413.70    |            |
|             | Fair valuation of Investments (Net)                                            | 191.37    |            | 864.78    |            |
|             | Effect of previous year transaction/Preacquisition profits                     | 14.55     |            | (22.89)   |            |
|             | Dividend Received                                                              | 7.44      |            | 6.45      |            |
|             |                                                                                |           | (490.55)   |           | (1,262.63) |
|             | Operating Profit before working capital changes                                |           | 2,081.91   |           | 2,092.98   |
|             | Adjustments for :                                                              |           |            |           |            |
|             | Trade and Other Receivables                                                    | (492.56)  |            | 62.91     |            |
|             | Inventories                                                                    | (475.21)  |            | (200.26)  |            |
|             | Trade and Other Payables                                                       | (351.74)  |            | 1,322.50  |            |
|             |                                                                                |           | (1,319.51) |           | 1,185.15   |
|             | Cash generated from operations                                                 |           | 762.40     |           | 3,278.13   |
|             | Income taxes paid (Net of Refund)                                              |           | (763.23)   |           | (777.05)   |
|             | <b>Net Cash from Operating Activities (A)</b>                                  |           | (0.82)     |           | 2,501.08   |
| <b>B</b>    | <b>Cash Flow from Investing Activities</b>                                     |           |            |           |            |
|             | Payment to acquire Property, plant & equipments                                |           | (427.69)   |           | (436.75)   |
|             | Proceeds from Sale of Property, plant & equipments                             |           | 30.33      |           | 182.44     |
|             | Purchase of Investment                                                         |           | (3,734.23) |           | (6,378.72) |
|             | Sale of Investment                                                             |           | 3,937.35   |           | 5,504.42   |
|             | Dividend Income                                                                |           | 7.44       |           | 6.45       |
|             | <b>Net Cash used in Investing Activities (B)</b>                               |           | (186.80)   |           | (1,122.16) |
| <b>C</b>    | <b>Cash Flow from Financing Activities</b>                                     |           |            |           |            |
|             | Proceeds/(Repayment) of Short Term Borrowings                                  |           | (43.95)    |           | (138.58)   |
|             | Dividend paid                                                                  |           | (302.59)   |           | -          |
|             | Proceeds/(Repayment) of Long Term Borrowings                                   |           | 6.52       |           | (10.11)    |
|             | Finance Cost                                                                   |           | (68.91)    |           | (42.19)    |
|             | <b>Net Cash from Financing Activities (C)</b>                                  |           | (408.93)   |           | (190.88)   |
|             | <b>Net (Decrease)/Increase in Cash &amp; Cash Activities (A+B+C)</b>           |           | (596.55)   |           | 1,188.04   |
|             | Cash and Cash Equivalents and Other Bank Balances as on Opening                |           | 2,540.57   |           | 1,352.52   |
|             | Cash and Cash Equivalents and Other Bank Balances as on Closing (Note 11 & 12) |           | 1,944.02   |           | 2,540.57   |

**Amendment to Ind AS 7-**

Amendment to Ind AS 7 effective from 01 April, 2017 require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet disclosure requirement. Accordingly, the Company has given the said disclosure as below:

| Particulars                   | Note No. | 1 st April 2021 | Cashflow       | Foreign Exchange Movement | 31 st March 2022 |
|-------------------------------|----------|-----------------|----------------|---------------------------|------------------|
| Non-current liabilities       |          |                 |                |                           |                  |
| - Borrowings                  | 20       | 64.09           | 6.52           | -                         | 70.61            |
| Current Liabilities           |          |                 |                |                           |                  |
| - Borrowings                  | 22       | 123.97          | (43.95)        | -                         | 80.02            |
| - Other financial liabilities |          |                 |                |                           |                  |
| Unpaid dividends              | 24       | 17.04           | (0.47)         | -                         | 16.57            |
| <b>Total</b>                  |          | <b>205.10</b>   | <b>(37.90)</b> | <b>-</b>                  | <b>167.20</b>    |

As per our attached report of even date

**On behalf of the Board of Directors**

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### COMPANY INFORMATION

Chembond Chemicals Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Registered office of the Company is situated at Chembond Centre, EL-71, MIDC Mahape, Navi Mumbai -400710, Maharashtra.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The group is engaged in manufacturing of Speciality Chemicals.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of preparation of consolidated financial statements and presentation

The consolidated financial statements of the Company are prepared in Compliance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act. The consolidated Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Effective April 1, 2017 the Company has adopted all the Ind AS standards and the adoption as carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are prepared in INR, which is the company's functional currency.

#### 1.2 Basis of consolidation

Subsidiaries are all entities over which the Company has control. Control exist when the company is exposed

to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries has been changed wherever necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

| Sr. No                       | Name of the Subsidiary Company & Associates                   | Country of Incorporation | Proportion of ownership interest either directly or through subsidiary |
|------------------------------|---------------------------------------------------------------|--------------------------|------------------------------------------------------------------------|
| <b>Direct Subsidiaries</b>   |                                                               |                          |                                                                        |
| 1.                           | Chembond Water Technologies Limited (CWTL)                    | India                    | 100%                                                                   |
| 2.                           | Chembond Material Technologies Private Limited (CMTPL)        | India                    | 100%                                                                   |
| 3.                           | Chembond Biosciences Limited (CBL)                            | India                    | 100%                                                                   |
| 4.                           | Chembond Polymers and Materials Limited (CPML)                | India                    | 100%                                                                   |
| 5.                           | Chembond Calvatis Industrial Hygiene Systems Limited (CCIHSL) | India                    | 55.00%                                                                 |
| 6.                           | Phiroze Sethna Private Limited (PSPL)                         | India                    | 100%                                                                   |
| 7.                           | Chembond Distribution Limited (CDL)                           | India                    | 100%                                                                   |
| <b>Indirect Subsidiaries</b> |                                                               |                          |                                                                        |

| Sr. No | Name of the Subsidiary Company & Associates       | Country of Incorporation | Proportion of ownership interest either directly or through subsidiary |
|--------|---------------------------------------------------|--------------------------|------------------------------------------------------------------------|
| 8.     | Chembond Water Technologies (Malaysia) SDN. BHD.  | Malaysia                 | 100%                                                                   |
| 9.     | Gramos Chemicals India Private Limited (GCIPL)    | India                    | 100%                                                                   |
| 10.    | Chembond Clean Water Technologies Limited (CCWTL) | India                    | 100%                                                                   |
| 11.    | Chembond Water Technologies (Thailand) Co. Ltd.   | Thailand                 | 100%                                                                   |

### 1.3 Summary of significant accounting policies

#### a) Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at historical cost less accumulated depreciation and accumulated impairment losses if any except freehold land which is carried at historical cost.

Historical cost comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

Subsequent costs are included in the asset's carrying amount or recognised 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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### b) Intangible Assets

Intangible Assets are stated at historical cost less accumulated amortisation and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

#### c) Capital Work in Progress & Capital Advances

Capital work-in-progress comprises the cost of assets that are yet not ready for their intended use at the balance sheet date. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are classified as Capital Advances under Other Non-Current Assets.

#### d) Depreciation and Amortisation

Depreciation on PPE (other than free hold and lease hold land) has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, on Straight Line Method. Freehold land is not depreciated. Leasehold land and leasehold improvements are amortized over the primary period of lease.

Depreciation methods, useful lives and residual value are reviewed at each reporting date and adjusted prospectively, if appropriate.

Depreciation in the case of Subsidiary Companies, Chembond Water Technologies Ltd. (CWTL), Chembond Clean Water Technologies Ltd. (CCWTL), Chembond Calvatis Industrial Hygiene Systems Ltd. (CCIHSL), Chembond Distribution Ltd.(CDL), Phiroze Sethna Private Ltd.(PSPL) and Gramos Chemicals India Pvt. Ltd.(GCIPL) are provided on written down value method at the rates specified in part C of Schedule II of the Companies Act, 2013.

Depreciation on Fixed Assets in case of Subsidiary Companies, Chembond Material Technologies Private Limited (CMTPL) & Chembond Biosciences Limited (CBL) are provided on the straight line method at the rates and in the manner specified in part C of Schedule II of the Companies Act, 2013.

#### e) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discount or rebates and applicable taxes and duties collected on behalf of the government and which are levied on such sales.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

- Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer as per terms of Contract.

- ii. Revenue from services is recognised pro-rata as and when services are rendered.
- iii. Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.
- iv. Dividend income from investment is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

#### f) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term.

##### Company as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of lease.

#### g) Inventory:

Inventories are valued at lower of the cost determined on weighted average basis or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.

Cost of raw materials, packing materials and stores spares and consumables Stocks is determined so as to exclude from the cost, taxes and duties which are subsequently recoverable from the taxing authorities.

Cost of finished goods and work-in-progress includes the cost of materials, an appropriate allocation of overheads and other costs incurred in bringing the inventories to their present location and condition.

#### h) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if event or changes are indicative in circumstances indicate that they might be impaired. Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances that indicate that the carrying amount may not be recoverable. Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An Impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

## i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

### a. Financial assets

#### Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The

EIR amortisation is included in finance income in the profit and loss.

- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Equity instruments

- The Company subsequently measures all equity investments in companies/Mutual funds other than equity investments in subsidiaries, at fair value. Dividends from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established.

#### De-recognition

A financial asset derecognised only 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of IND AS 18.- The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### **b. Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

### **Derecognition**

A financial liability is derecognised 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 derecognition 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 and loss.

### **C. Hedge accounting**

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value of cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.



Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholder's funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's funds is transferred to the statement of profit and loss.

**j) Fair Value Measurement**

The Company's measures Financial Instruments at fair value at each Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▷ In the principal market for the asset or liability, or
- ▷ In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- ▷ All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**k) Foreign Currency Transactions and Translation:**

Transactions in foreign currencies entered into by the Company are accounted in the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at functional currency closing rate of exchange at the reporting date. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

**l) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**m) Income Taxes**

Income tax expenses comprises of current and deferred tax expense and is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in OCI, in which case, the tax is also recognised in directly in equity or OCI respectively.

**Current tax:**

Current tax is the amount expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively

enacted by the end of reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

#### **Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### **n) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the balance sheet.

#### **o) Employee Benefits**

##### **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid. The Company does not allow any accumulation of leave balance or encashment thereof.

##### **Post-Employment Benefits:**

#### **I. Defined Contribution plans:**

Defined contribution plans are Employee's Provident Fund scheme, Employee state insurance scheme for all applicable employees and superannuation

scheme for eligible employees. The Company contribution for the year paid / payable to a defined contribution plan as an expense in the Statement of Profit and Loss.

#### **II. Defined Benefit plans:**

##### **Pension Scheme**

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

##### **Gratuity**

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund) administered by LIC, towards meeting the Gratuity obligation.

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the statement of profit and loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

#### **p) Research and Development**

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to PPE and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

**q) Borrowing Cost**

Borrowing costs, that are, attributable to the acquisition, construction or production of qualifying are capitalized as part of the costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**r) Earnings per share**

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

**s) Current / Non-Current Classification:**

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as 12 months and other criteria set out in the Schedule III to the Companies Act, 2013. This is based on the nature of product/services and the time taken between the acquisition of assets for processing and their realization in cash and cash equivalents.

**t) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the Company has a present obligation as a result of a past event;
- (b) a probable outflow of resources is expected to settle the obligation; and
- (c) the amount of the obligation can be reliably estimated.

**Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.**

**Contingent liability is disclosed in case of**

- (a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (b) a present obligation when no reliable estimate is possible; and
- (c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each balance Sheet date.

**u) Key accounting estimates and judgements**

The preparation of the Company's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**The areas involving critical estimates or judgements are:**

- a. Estimation of taxes
- b. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life.
- c. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized
- d. Recognition and measurement of defined benefit obligations, key actuarial assumptions
- e. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- f. Fair value of financial instrument.

## 2 Property, plant and equipment, Intangibles and Capital work in progress as at 31<sup>st</sup> march 2022

| Description                          | GROSS BLOCK (AT COST) |               |              | DEPRECIATION INCLUDING AMORTISATION |                 |               | Revaluation of assets (> 10%) | Impairment of assets | NET BLOCK        |                  |
|--------------------------------------|-----------------------|---------------|--------------|-------------------------------------|-----------------|---------------|-------------------------------|----------------------|------------------|------------------|
|                                      | As at 1.04.2021       | Additions     | Deductions   | As at 31.03.2022                    | As at 1.04.2021 | Deductions    | As at 31.03.2022              |                      | As at 31.03.2022 | As at 31.03.2021 |
| <b>Property, plant and equipment</b> |                       |               |              |                                     |                 |               |                               |                      |                  |                  |
| <b>Tangible Assets</b>               |                       |               |              |                                     |                 |               |                               |                      |                  |                  |
| Leasehold Land                       | 98.28                 | -             | -            | 98.28                               | 5.23            | 1.38          | 6.61                          | -                    | 91.66            | 93.04            |
| Freehold Land                        | 148.09                | -             | -            | 148.09                              | -               | -             | -                             | -                    | 148.09           | 148.09           |
| Buildings                            | 2,659.21              | 108.58        | -            | 2,767.79                            | 418.32          | 86.06         | 504.37                        | -                    | 2,263.42         | 2,240.90         |
| Equipment & Machinery                | 2,627.27              | 215.13        | 17.98        | 2,824.41                            | 880.38          | 259.23        | 1,132.29                      | -                    | 1,692.12         | 1,746.89         |
| Computers Hardware                   | 165.54                | 22.71         | 27.17        | 161.09                              | 113.40          | 20.42         | 108.43                        | -                    | 52.66            | 52.14            |
| Furniture & Fixtures                 | 225.28                | 10.47         | 0.66         | 235.08                              | 106.07          | 21.67         | 127.51                        | -                    | 107.58           | 119.21           |
| Motor Cars                           | 116.68                | -             | -            | 116.68                              | 66.63           | 13.26         | 79.89                         | -                    | 36.79            | 50.05            |
| Electric Fittings & Installations    | 244.57                | 11.56         | 1.41         | 254.72                              | 91.90           | 26.88         | 115.78                        | -                    | 138.94           | 152.67           |
| <b>Sub- total</b>                    | <b>6,284.92</b>       | <b>368.45</b> | <b>47.22</b> | <b>6,606.15</b>                     | <b>1,681.92</b> | <b>428.90</b> | <b>2,074.88</b>               | <b>-</b>             | <b>4,531.27</b>  | <b>4,603.00</b>  |
| <b>Intangible Assets</b>             |                       |               |              |                                     |                 |               |                               |                      |                  |                  |
| Goodwill                             | 7,489.45              | -             | -            | 7,489.45                            | -               | -             | -                             | -                    | 7,489.45         | 7,489.45         |
| Technical Know How                   | 52.71                 | -             | -            | 52.71                               | 36.58           | 7.60          | 44.18                         | -                    | 8.53             | 16.13            |
| Computer Software                    | 107.32                | 8.00          | 0.66         | 114.66                              | 60.51           | 14.51         | 74.39                         | -                    | 40.27            | 46.81            |
| <b>Sub- total</b>                    | <b>7,649.48</b>       | <b>8.00</b>   | <b>0.66</b>  | <b>7,656.82</b>                     | <b>97.09</b>    | <b>22.11</b>  | <b>118.57</b>                 | <b>-</b>             | <b>7,538.25</b>  | <b>7,552.39</b>  |
| <b>Total</b>                         | <b>13,934.40</b>      | <b>376.45</b> | <b>47.88</b> | <b>14,262.97</b>                    | <b>1,779.01</b> | <b>451.01</b> | <b>2,193.46</b>               | <b>-</b>             | <b>12,069.52</b> | <b>12,155.39</b> |
| Previous Year                        | 13,757.10             | 410.98        | 233.68       | 13,934.40                           | 1,365.84        | 455.45        | 1,779.01                      | -                    | 12,155.39        | 12,391.26        |
| Capital Work in Progress             |                       |               |              |                                     |                 |               |                               |                      | 70.22            | 36.75            |

|                                                                                                                | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>3 Financial Assets (Non-Current)</b>                                                                        |                                     |                                     |
| <b>Investments</b>                                                                                             |                                     |                                     |
| <b>Other Investments amortised at fair value through Profit and Loss (Unquoted)</b>                            |                                     |                                     |
| 2,848 (2,848) Equity Shares of Tarapur Environment Protection Organisation Ltd. of ₹ 100/- each fully paid up. | 4.57                                | 5.08                                |
| Nil (2647) Equity Shares of Genesis Artificial Intelligence Pvt Ltd of ₹ 10/- each fully paid up.              | -                                   | 105.00                              |
| <b>Investments in Equity Shares carried at fair value through Profit and Loss</b>                              |                                     |                                     |
| <b>Quoted</b>                                                                                                  |                                     |                                     |
| 15,000 (16,200) Equity Shares of Hindustan Petroleum Corporation Ltd. of ₹ 10/- each fully paid up.            | 41.96                               | 37.99                               |
| 7,250 (7,250) Equity Shares of HDFC Limited of ₹2/- each fully paid up                                         | 173.18                              | 181.17                              |
| 3,800 (3,800) Equity Shares Tata Consultancy Services Limited of Re.1/- each fully paid up                     | 142.07                              | 120.75                              |
| <b>Investments in Mutual fund carried at fair value through Profit and Loss</b>                                |                                     |                                     |
| <b>Quoted</b>                                                                                                  |                                     |                                     |
| 1,00,991.79 (1,00,991.79) Units of SBI Magnum Gilt Fund-Long Term-Regular plan Growth                          | 52.69                               | 50.85                               |
| 24,30,254.12 (24,30,254.12) Units of ICICI Prudential Short Term Gilt Fund-Growth                              | 1,960.85                            | 1,884.89                            |
| 35,816.954 Units (P.Y Zero Unit) Investment in ICICI Prudential Saving Fund                                    | 155.22                              | -                                   |
| 2,76,835.70 (2,76,835.70) Units Kotak Standard Multicap Fund-Growth                                            | 143.87                              | 124.47                              |
| 1,24,058.06 (1,24,058.06) Units Mirae Asset India Equity Fund-Growth                                           | 96.04                               | 81.26                               |
| NIL (33,544.88) Units Kotak Gilt Fund (Investment Regular)-Growth                                              | -                                   | 25.34                               |
| NIL (74,583.87) Units Kotak Bond Fund(Short Term)-Growth (Regular Plan)                                        | -                                   | 30.47                               |
| 3,98,474.65 (3,98,474.65) Units ICICI Prudential Mutual Fund Coll 1 AC                                         | 94.26                               | 90.41                               |
| 2,20,253.84 (2,20,253.84) Units Kotak Bond STP(G)                                                              | 93.80                               | 89.98                               |
| <b>Other Investments</b>                                                                                       |                                     |                                     |
| <b>Quoted (carried at fair value through Profit and Loss)</b>                                                  |                                     |                                     |
| Nil (20,00,000) units of Axis Fixed Term Plan Series 976 - Growth                                              | -                                   | 235.25                              |
| Nil (45,000) units of Tata Capital Financial Services Ltd. NCD                                                 | -                                   | 457.26                              |
| <b>Total</b>                                                                                                   | <b>2,958.51</b>                     | <b>3,520.17</b>                     |
| Aggregate amount of Quoted Investments and market value there of                                               | 2,953.93                            | 2,952.82                            |
| Aggregate amount of Unquoted Investments                                                                       | 4.59                                | 567.36                              |
| Aggregate amount of Impairment in value of investment                                                          | -                                   | -                                   |

|                                                                                     | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>4 Other Non- Current Financial Assets<br/>(Unsecured &amp; considered good)</b>  |                                     |                                     |
| Fixed Deposit of Maturity of More than 12 Months                                    | 538.97                              | 438.72                              |
| Other Deposits                                                                      | 61.93                               | 52.73                               |
| <b>Total</b>                                                                        | <b>600.90</b>                       | <b>491.45</b>                       |
| <b>5 Deferred Tax Asset (Net)</b>                                                   |                                     |                                     |
| Deferred tax Asset                                                                  |                                     |                                     |
| Gratuity                                                                            | 12.94                               | 12.17                               |
| MAT Credit                                                                          | 676.00                              | 642.34                              |
| Other Deferred tax Asset                                                            | 46.91                               | 4.29                                |
| Provision for Doubtful Debts                                                        | 128.04                              | 122.28                              |
|                                                                                     | 863.88                              | 781.08                              |
| Deferred tax Liability                                                              |                                     |                                     |
| Depreciation                                                                        | 533.10                              | 523.78                              |
| Investments at Fair Value                                                           | 104.67                              | 48.84                               |
|                                                                                     | 637.77                              | 572.62                              |
| <b>Net Deferred Tax Asset</b>                                                       | <b>Total 226.11</b>                 | <b>208.46</b>                       |
| <b>6 Income tax asset (net)</b>                                                     |                                     |                                     |
| Income Tax (Net of Provision)                                                       | 707.40                              | 616.56                              |
| <b>Total</b>                                                                        | <b>707.40</b>                       | <b>616.56</b>                       |
| <b>7 Other non-current assets</b>                                                   |                                     |                                     |
| Capital Advances                                                                    | 0.02                                | 15.58                               |
| Other Advances                                                                      | 13.89                               | 15.83                               |
| Prepaid expenses                                                                    | 38.29                               | 34.25                               |
| Gratuity                                                                            | 52.78                               | 2.77                                |
| VAT Refund Receivable                                                               | 8.16                                | 10.73                               |
| <b>Total</b>                                                                        | <b>113.13</b>                       | <b>79.15</b>                        |
| <b>8 Inventories<br/>(At lower of Cost and Net Realisable Value)</b>                |                                     |                                     |
| Raw Material                                                                        | 1,854.33                            | 1,527.85                            |
| Packing Material                                                                    | 140.28                              | 164.51                              |
| Finished Goods                                                                      | 991.16                              | 809.93                              |
| Stock-in-Trade                                                                      | 435.98                              | 445.65                              |
| Stock in Transit                                                                    | 2.05                                | 0.66                                |
|                                                                                     | 3,423.81                            | 2,948.60                            |
| Less: Stock Reserve                                                                 | 30.80                               | 15.67                               |
| <b>Total</b>                                                                        | <b>3,393.02</b>                     | <b>2,932.94</b>                     |
| <b>9 Investments (Current)</b>                                                      |                                     |                                     |
| <b>Investments in Equity Shares carried at fair value through Profit and Loss</b>   |                                     |                                     |
| <b>Quoted</b>                                                                       |                                     |                                     |
| Nil (6,550) Equity Shares of ICICI Bank Ltd. of ₹ 10/- each fully paid up.          | -                                   | 38.13                               |
| Nil (1,854) Equity Shares of Tata Communications Ltd. of ₹ 10/- each fully paid up. | -                                   | 19.70                               |
| Nil (717) Equity Shares of Divis Laboratories Ltd                                   | -                                   | 25.98                               |
| Nil (1,794) Equity Shares of Vardhaman Textiles Ltd.                                | -                                   | 23.28                               |
| Nil (3,430) Equity Shares of Bharat Petroleum Corporation Ltd                       | -                                   | 14.68                               |



|                                                                                           | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Nil (263) Equity Shares of Bajaj Finserv Ltd.                                             | -                                   | 25.43                               |
| Nil (3,610) Equity Shares of HDFC Life Insurance Company Ltd.                             | -                                   | 25.13                               |
| Nil (3,330) Equity Shares of HCL Technologies Ltd.                                        | -                                   | 32.72                               |
| Nil (11,588) Equity Shares of Tata Motors Ltd                                             | -                                   | 34.97                               |
| Nil (537) Equity Shares of HIL Ltd.                                                       | -                                   | 16.37                               |
| Nil (11,500) Equity Shares of Kirloskar FERR                                              | -                                   | 18.88                               |
| Nil (2,645) Equity Shares of Ramco Systems Ltd.                                           | -                                   | 14.01                               |
| Nil (3,885) Equity Shares of SBI                                                          | -                                   | 14.15                               |
| Nil (1,275) Equity Shares of CEAT Ltd                                                     | -                                   | 19.85                               |
| Nil (1,198) Equity Shares of Dalmia Bharat                                                | -                                   | 19.04                               |
| Nil (23,432) Equity Shares of JMC Projects                                                | -                                   | 17.60                               |
| Nil (990) Equity Shares of ICICI Sec                                                      | -                                   | 3.79                                |
| Nil (4,850) Equity Shares of Bajaj Consumer Care Ltd                                      | -                                   | 12.61                               |
| Nil (479) Equity Shares of Oracle Financial Services Software Ltd                         | -                                   | 15.32                               |
| Nil (12,089) Equity Shares of Phillips Carbon Black Ltd.                                  | -                                   | 23.07                               |
| <b>Investments in Mutual Funds carried at fair value through Profit and Loss</b>          |                                     |                                     |
| 49.542 (49.542) Units of Reliance Liquid Fund -Treasury Plan - Daliy Dividend             | <b>0.84</b>                         | 0.81                                |
| Nil (7,158.091) Units of ICICI Prudential Liquid- Regular Plan-Growth                     | -                                   | 21.69                               |
| Nil (63,483.249) Units of ICICI Prudential Gilt Fund -Growth                              | -                                   | 49.24                               |
| 21,739.866(73,381.677) Units Kotak Standard Multicap Fund-Growth                          | <b>11.30</b>                        | 32.99                               |
| 9530.07 (Nil) Units of Kotak Money Market Scheme Regular Plan Growth                      | <b>343.13</b>                       | -                                   |
| Nil (13,32,667.29) Units of Kotak Treasury Advantage Fund Regular Plan Growth             | -                                   | 449.52                              |
| 3,30,723.845 (39,457.47) Units of ICICI prudentianl Money Market Fund Regular Plan Growth | <b>1,006.18</b>                     | 115.64                              |
| 15,21,035.73 (14,06,855.59) Units of AXIS – Bluechip fund (G)                             | <b>681.12</b>                       | 544.59                              |
| 47,16,416.448 (58,89,347.65) Units of HDFC Ultra Short term fund Reg- Grwt                | <b>579.05</b>                       | 697.66                              |
| Nil (53,968.91) Units of ICICI Prudential Money Market Fund - Growth                      | -                                   | 158.17                              |
| 680,213.790 (4,45,198.52) Units of Kotak Floater Short Term - Growth                      | <b>289.69</b>                       | 181.88                              |
| Nil(7,390.087) Units HDFC Equity Fund- Growth                                             | -                                   | 58.93                               |
| 4,35,123.297 (1,00,295) Units of Mirae Asset Equity Fund Fund-Regular Growth              | <b>271.09</b>                       | 252.18                              |
| 9,588.34 (Nil) units of Axis Liquid Fund Growth                                           | -                                   | 217.92                              |
| 1612.16 (Nil) units of Mirae Asset Cash Management Fund-Growth                            | -                                   | 34.56                               |
| 18,393.226(63,508.966) Units SBI Blue Chip Fund-Regular Growth                            | <b>11.06</b>                        | 32.89                               |
| NIL (2,72,343.50) Units ICICI Prudential Corporate Bond Fund                              | -                                   | 61.79                               |
| Nil (1,80,925.781) Units Kotak Bond Short Term Fund                                       | -                                   | 73.92                               |
| 2,54,930.857 (Nil) ICICI Prudential Savings Fund – Growth                                 | <b>1,104.78</b>                     | -                                   |
| 49,819.151 (Nil) ICICI Prudential Equity and Debt Fund - Growth                           | <b>112.57</b>                       | -                                   |

|                                                                                | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|--------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 6,77,992.742 (Nil) HDFC Short Term Debt Fund - Regular Plan - Growth           | 174.19                              | -                                   |
| <b>Total</b>                                                                   | <b>4,585.00</b>                     | <b>3,763.04</b>                     |
| Aggregate amount of Quoted Investments and Market Value thereof                | 4,585.00                            | 3,763.04                            |
| <b>10 Trade Receivables</b>                                                    |                                     |                                     |
| Unsecured Considered Good                                                      | 9,448.76                            | 8,811.15                            |
| Unsecured Considered doubtful                                                  | 485.79                              | 457.91                              |
| Less : Provision for Doubtful Debts                                            | 485.79                              | 457.91                              |
| <b>Total</b>                                                                   | <b>8,962.98</b>                     | <b>8,353.24</b>                     |
| a. For Related party transactions Refer Note No.41                             |                                     |                                     |
| b. For Trade Receivable Ageing Schedule, refer Note No. 46                     |                                     |                                     |
| <b>11 Cash and Cash equivalents</b>                                            |                                     |                                     |
| <b>Balances with banks</b>                                                     |                                     |                                     |
| In Current Accounts                                                            | 894.24                              | 965.20                              |
| Cash on hand                                                                   | 3.50                                | 3.76                                |
| <b>Total</b>                                                                   | <b>897.74</b>                       | <b>968.96</b>                       |
| <b>12 Bank balances other than cash and cash equivalents</b>                   |                                     |                                     |
| Margin money (Including deposits with original maturity of more than 3 months) | 1,031.73                            | 1,554.56                            |
| In Unpaid Dividend Accounts                                                    | 14.55                               | 17.04                               |
| <b>Total</b>                                                                   | <b>1,046.28</b>                     | <b>1,571.60</b>                     |
| <b>13 Loans</b>                                                                |                                     |                                     |
| <b>(Unsecured &amp; considered good)</b>                                       |                                     |                                     |
| Loan and advance to Employees                                                  | 13.26                               | 19.45                               |
| Loans and Advances others                                                      | 9.66                                | 15.74                               |
| <b>Total</b>                                                                   | <b>22.93</b>                        | <b>35.19</b>                        |
| <b>14 Other Current Financial Assets</b>                                       |                                     |                                     |
| <b>(Unsecured &amp; considered good)</b>                                       |                                     |                                     |
| Security Deposits                                                              | 70.51                               | 54.83                               |
| Deposit - Excise                                                               | 4.47                                | 4.47                                |
| <b>Total</b>                                                                   | <b>74.98</b>                        | <b>59.31</b>                        |
| <b>15 Current Tax (Net)</b>                                                    |                                     |                                     |
| Current Tax (Net)                                                              | 29.84                               | 10.02                               |
| <b>Total</b>                                                                   | <b>29.84</b>                        | <b>10.02</b>                        |
| <b>16 Other Current Assets</b>                                                 |                                     |                                     |
| Accrued Interest                                                               | 0.59                                | 29.17                               |
| Prepaid expenses                                                               | 39.62                               | 30.57                               |
| Advances for supply of goods and services                                      | 97.90                               | 258.50                              |
| Balances with government authorities                                           | 196.33                              | 207.25                              |
| Other Current Assets                                                           | 10.84                               | 83.82                               |
| <b>Total</b>                                                                   | <b>345.29</b>                       | <b>609.31</b>                       |

**17 Equity Share Capital**
**Authorised**

2,00,00,000 (P.Y 2,00,00,000) Equity Shares of ₹ 5/- each

**Issued, Subscribed and Paid up**

134,48,288 (P.Y 134,48,288) Equity Shares of ₹ 5/- each fully paid up

**Total**

| As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------|-------------------------------------|
| 1,000.00                            | 1,000.00                            |
| 672.41                              | 672.41                              |
| 672.41                              | 672.41                              |
| 1,34,48,288                         | 1,34,48,288                         |
| -                                   | -                                   |
| -                                   | -                                   |
| 1,34,48,288                         | 1,34,48,288                         |
| As at 31/3/2022<br>No of Shares     | As at 31/3/2021<br>No of Shares     |
| 17,53,887                           | 17,09,092                           |
| 13.04%                              | 12.71%                              |
| 16,45,493                           | 16,09,661                           |
| 12.24%                              | 11.97%                              |
| 16,27,712                           | 16,22,312                           |
| 12.10%                              | 12.06%                              |
| 13,10,630                           | 13,07,630                           |
| 9.75%                               | 9.72%                               |

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:**

Number of shares outstanding at the beginning of the year

Additions during the year

Deductions during the year

Number of shares outstanding at the end of the year

**b. Details of Shareholders holding more than 5% Shares**
**Name of the Shareholder**

Nirmal V. Shah

% held

Sameer V. Shah

% held

Padma V. Shah

% held

Visan Holding Pvt. Ltd.

% held

**c Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

| Shares held by promoter at the end of the year |                           |                  |                   |
|------------------------------------------------|---------------------------|------------------|-------------------|
| Sr. No.                                        | Promoter Name             | No. of shares    | % of total shares |
| 1                                              | Nirmal Vinod Shah         | 17,53,887        | 13.04%            |
| 2                                              | Sameer Vinod Shah         | 16,45,493        | 12.24%            |
| 3                                              | Ashwin Ratilal Nagarwadia | 5,00,000         | 3.72%             |
| 4                                              | Shah Bhadresh             | 1,88,934         | 1.40%             |
|                                                | <b>Total</b>              | <b>40,88,314</b> |                   |

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

| Shares held by promoter at the end of the year |                           |                  |                   |
|------------------------------------------------|---------------------------|------------------|-------------------|
| Sr. No.                                        | Promoter Name             | No. of shares    | % of total shares |
| 1                                              | Nirmal Vinod Shah         | 17,09,092        | 12.71%            |
| 2                                              | Sameer Vinod Shah         | 16,09,661        | 11.97%            |
| 3                                              | Ashwin Ratilal Nagarwadia | 5,00,000         | 3.72%             |
| 4                                              | Shah Bhadresh             | 1,88,934         | 1.40%             |
|                                                | <b>Total</b>              | <b>40,07,687</b> |                   |

**d Terms and rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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.

**18 Other Equity**

Capital Reserve on Consolidation

As per last year

Less : Transfer to Profit &amp; Loss A/c

**General Reserve**

As per last year

Add: Transfer from Profit &amp; Loss A/c

Less: Transfer to Minority Interest

**Securities Premium**

As per last year

Add: Received on shares issued during the year

**Retained Earnings**

As per last year

Add: Depreciation expense for earlier years

Add: Profit for the Year

Addition / (Deduction) during the year

**Less: Appropriations**

Transferred to General Reserve

Other Comprehensive Income/(Loss) for the year

Prior Period Items

Set off of Dividend Tax in respect of Dividend from Subsidiary Company

Interim Dividend

Tax on Interim Dividend

Dividend Paid

Tax on Dividend Paid

**Other Comprehensive Income (OCI)**

Remeasurements of the net defined benefit Plans

As per last year

Addition during the year

Less: Non Controlling Interest

**Total****19 Non Controlling Interest****Share Capital**

Opening Balance

Addition during the year

Deduction during the year

**Closing Balance**

| As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------|-------------------------------------|
|                                     |                                     |
| 14.72                               | 14.72                               |
| -                                   | -                                   |
| 14.72                               | 14.72                               |
|                                     |                                     |
| 1,292.42                            | 1,222.42                            |
| -                                   | 70.00                               |
| -                                   | -                                   |
| 1,292.42                            | 1,292.42                            |
|                                     |                                     |
| 613.05                              | 613.05                              |
| -                                   | -                                   |
| 613.05                              | 613.05                              |
|                                     |                                     |
| 26,701.82                           | 24,336.67                           |
| -                                   | -                                   |
| 1,361.26                            | 2,034.43                            |
| 9.89                                | 400.72                              |
| 28,072.98                           | 26,771.82                           |
|                                     |                                     |
| -                                   | 70.00                               |
| 9.53                                | 15.10                               |
| 4.41                                |                                     |
| -                                   | -                                   |
| -                                   | -                                   |
| -                                   | -                                   |
| 302.59                              | -                                   |
| -                                   | -                                   |
| 27,765.98                           | 26,701.82                           |
|                                     |                                     |
| 24.73                               | 8.68                                |
| 11.56                               | 16.05                               |
| (0.18)                              | 0.01                                |
| 36.48                               | 24.73                               |
| 29,722.64                           | 28,646.73                           |
|                                     |                                     |
| 22.50                               | 419.84                              |
| -                                   | -                                   |
| -                                   | 397.35                              |
| 22.50                               | 22.50                               |

|                                                                                                                                                                                                                                                                                                                                                 | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Share Premium</b>                                                                                                                                                                                                                                                                                                                            |                                     |                                     |
| As per last year                                                                                                                                                                                                                                                                                                                                | 4.05                                | 4.05                                |
| Add:Received during the year                                                                                                                                                                                                                                                                                                                    | -                                   | -                                   |
|                                                                                                                                                                                                                                                                                                                                                 | <b>4.05</b>                         | <b>4.05</b>                         |
| <b>Retained Earnings</b>                                                                                                                                                                                                                                                                                                                        |                                     |                                     |
| Opening Balance                                                                                                                                                                                                                                                                                                                                 | 98.81                               | 101.02                              |
| Less : Dividend Paid                                                                                                                                                                                                                                                                                                                            | -                                   | -                                   |
| Addition during the year                                                                                                                                                                                                                                                                                                                        | 6.51                                | 6.45                                |
| Add:Non Controlling Interest (OCI)                                                                                                                                                                                                                                                                                                              | (0.18)                              | 0.01                                |
| Deduction during the year                                                                                                                                                                                                                                                                                                                       | -                                   | 8.66                                |
| Closing Balance                                                                                                                                                                                                                                                                                                                                 | <b>105.13</b>                       | <b>98.81</b>                        |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                    | <b>131.68</b>                       | <b>125.35</b>                       |
| <b>20 Borrowings- Non current</b>                                                                                                                                                                                                                                                                                                               |                                     |                                     |
| <b>Unsecured</b>                                                                                                                                                                                                                                                                                                                                |                                     |                                     |
| Loans from Related Parties                                                                                                                                                                                                                                                                                                                      | -                                   | -                                   |
| Loans from Others                                                                                                                                                                                                                                                                                                                               | 70.61                               | 64.09                               |
|                                                                                                                                                                                                                                                                                                                                                 | <b>70.61</b>                        | <b>64.09</b>                        |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                    | <b>70.61</b>                        | <b>64.09</b>                        |
| <b>21 Provisions- Non Current</b>                                                                                                                                                                                                                                                                                                               |                                     |                                     |
| Provision for Tax (Net of Advance Tax)                                                                                                                                                                                                                                                                                                          | 55.57                               | -                                   |
| Provision for Gratuity                                                                                                                                                                                                                                                                                                                          | 51.80                               | 126.65                              |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                    | <b>107.37</b>                       | <b>126.65</b>                       |
| <b>22 Current Borrowings</b>                                                                                                                                                                                                                                                                                                                    |                                     |                                     |
| <b>(Repayable on demand)</b>                                                                                                                                                                                                                                                                                                                    |                                     |                                     |
| <b>Secured</b>                                                                                                                                                                                                                                                                                                                                  |                                     |                                     |
| Over Draft Facilities from Banks                                                                                                                                                                                                                                                                                                                | -                                   | 68.97                               |
| Working Capital Loan from Banks                                                                                                                                                                                                                                                                                                                 | 80.02                               | -                                   |
| <b>Unsecured</b>                                                                                                                                                                                                                                                                                                                                |                                     |                                     |
| Loan From Related parties                                                                                                                                                                                                                                                                                                                       | -                                   | 55.00                               |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                    | <b>80.02</b>                        | <b>123.97</b>                       |
| a. Over draft facility are Secured against Fixed Deposit.<br>b. Working Capital / Buyers Credit loan is secured by charge on current asset,Mortgage of Tangible Immovable Properties and charge on other Property, Plant and Equipments.<br>c. The Group has unutilised working capital facilities at the year end amounting to ₹ 2879.00 lakhs |                                     |                                     |
|                                                                                                                                                                                                                                                                                                                                                 | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
| <b>23 Trade Payables</b>                                                                                                                                                                                                                                                                                                                        |                                     |                                     |
| Outstanding dues to micro and small enterprises                                                                                                                                                                                                                                                                                                 | 834.18                              | 664.93                              |
| Others                                                                                                                                                                                                                                                                                                                                          | 3,075.42                            | 3,656.60                            |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                    | <b>3,909.60</b>                     | <b>4,321.53</b>                     |
| a. For Related party transaction Refer Note No.41<br>b. For Trade Payables Ageing Schedule refer Note No.47<br>c. The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at the year end. The disclosure pursuant to the said Act is as under:                             |                                     |                                     |
| Principal amount due to suppliers under MSMED Act, 2006                                                                                                                                                                                                                                                                                         | 834.18                              | 664.93                              |
| Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount                                                                                                                                                                                                                                                                 | 2.24                                | 1.06                                |

|                                                                                                                                                                                                                                      | As at<br>31/03/2022<br>(₹ In lakhs) | As at<br>31/03/2021<br>(₹ In lakhs) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Payment made to suppliers (other than interest) beyond the appointed day, during the year                                                                                                                                            | 664.93                              | 605.03                              |
| Interest paid/adjusted to suppliers under MSMED Act, 2006 (other than section 16)                                                                                                                                                    | 1.06                                | 0.90                                |
| Interest paid/adjusted to suppliers under MSMED Act, 2006 (Section 16)                                                                                                                                                               | NIL                                 | NIL                                 |
| Interest due and payable to suppliers under MSMED Act, 2006 for payments already made                                                                                                                                                | 2.24                                | 1.06                                |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006                                                                                                                                      | 2.24                                | 1.06                                |
| The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. |                                     |                                     |
| <b>24 Other Current Financial Liabilities</b>                                                                                                                                                                                        |                                     |                                     |
| Other Payables                                                                                                                                                                                                                       | 117.89                              | 131.11                              |
| Employee benefits                                                                                                                                                                                                                    | 724.28                              | 736.97                              |
| Creditors for Capital Expenditure                                                                                                                                                                                                    | 18.33                               | 14.59                               |
| Unclaimed Dividend *                                                                                                                                                                                                                 | 16.57                               | 17.04                               |
| <b>Total</b>                                                                                                                                                                                                                         | <b>877.07</b>                       | <b>899.71</b>                       |
| * Not due for Deposit to Investor Education and Protection Fund                                                                                                                                                                      |                                     |                                     |
| <b>25 Other Current Liabilities</b>                                                                                                                                                                                                  |                                     |                                     |
| Advance Received From Customers                                                                                                                                                                                                      | 89.80                               | 189.47                              |
| Statutory Dues                                                                                                                                                                                                                       | 194.27                              | 135.40                              |
| Other payable                                                                                                                                                                                                                        | 155.16                              | 97.13                               |
| <b>Total</b>                                                                                                                                                                                                                         | <b>439.23</b>                       | <b>422.00</b>                       |
| <b>26 Provisions</b>                                                                                                                                                                                                                 |                                     |                                     |
| Provision for Expenses                                                                                                                                                                                                               | 0.43                                | 5.84                                |
| Provision for Gratuity                                                                                                                                                                                                               | 78.89                               | 3.25                                |
| Provision for Current Tax (Net of Advance Tax)                                                                                                                                                                                       | 13.87                               | -                                   |
| <b>Total</b>                                                                                                                                                                                                                         | <b>93.20</b>                        | <b>9.09</b>                         |
|                                                                                                                                                                                                                                      | <b>2021-2022<br/>(₹ In lakhs)</b>   | <b>2020-2021<br/>(₹ In lakhs)</b>   |
| <b>27 Revenue from Operations</b>                                                                                                                                                                                                    |                                     |                                     |
| <b>Sale of Goods</b>                                                                                                                                                                                                                 | <b>32,518.60</b>                    | 25,433.60                           |
| <b>Sales of Services</b>                                                                                                                                                                                                             |                                     |                                     |
| Technical Service Income                                                                                                                                                                                                             | 2,232.35                            | 1,867.35                            |
| <b>Other Operating revenue</b>                                                                                                                                                                                                       |                                     |                                     |
| Bad Debts Recovered                                                                                                                                                                                                                  | 43.55                               | 7.43                                |
| Miscellaneous Income                                                                                                                                                                                                                 | 147.13                              | 136.19                              |
|                                                                                                                                                                                                                                      | <b>190.68</b>                       | 143.63                              |
| <b>Total</b>                                                                                                                                                                                                                         | <b>34,941.63</b>                    | <b>27,444.58</b>                    |
| <b>28 Other Income</b>                                                                                                                                                                                                               |                                     |                                     |
| Dividend from Equity Investments                                                                                                                                                                                                     | 7.42                                | 6.43                                |
| Dividend from Mutual Funds                                                                                                                                                                                                           | 0.03                                | 0.02                                |
|                                                                                                                                                                                                                                      | <b>7.44</b>                         | <b>6.45</b>                         |



|                                                                                                                | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|----------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Net gain on Sale/fair valuation of investments through profit & loss *                                         | 463.42                    | 1,278.48                  |
| Gross Interest                                                                                                 | 101.53                    | 182.09                    |
| Gross Rental Income                                                                                            | 24.72                     | 12.51                     |
| Profit on Sale of Fixed Assets                                                                                 | 0.19                      | 9.12                      |
| Foreign Exchange Fluctuation Gain/ (Loss)                                                                      | 5.14                      | 0.60                      |
| Discount Received                                                                                              | 13.49                     | 11.25                     |
| Miscellaneous Income                                                                                           | 60.73                     | 32.58                     |
| Keyman Insurance proceeds                                                                                      | 99.38                     | -                         |
| <b>Total</b>                                                                                                   | <b>817.53</b>             | <b>1,533.09</b>           |
| * Adjusted fair value gain/(loss) as at 31st March 2022 amounting to ₹191.37 lakhs (31st March 2021 ₹ 864.78 ) |                           |                           |
| <b>29 Cost of materials consumed</b>                                                                           |                           |                           |
| Raw Materials Consumed                                                                                         | 14,959.75                 | 11,005.75                 |
| Packing Material                                                                                               | 1,580.44                  | 1,182.18                  |
| <b>Total</b>                                                                                                   | <b>16,540.19</b>          | <b>12,187.93</b>          |
| <b>30 Purchases of stock-in-trade</b>                                                                          |                           |                           |
| Purchases of Stock-in-trade                                                                                    | 3,923.35                  | 2,181.99                  |
| <b>Total</b>                                                                                                   | <b>3,923.35</b>           | <b>2,181.99</b>           |
| <b>31 Changes in inventory of Finished goods, Work in progress and Traded goods</b>                            |                           |                           |
| Finished products/ Stock in Trade (At Close)                                                                   | 1,268.18                  | 1,171.81                  |
| Finished products/ Stock in Trade (At commencement)                                                            | 1,171.81                  | 1,133.86                  |
| <b>Total</b>                                                                                                   | <b>(96.38)</b>            | <b>(37.95)</b>            |
| <b>32 Employee benefit expenses</b>                                                                            |                           |                           |
| Director Remuneration                                                                                          | 260.86                    | 221.25                    |
| Salaries & Wages                                                                                               | 5,451.79                  | 4,687.29                  |
| Contribution to Provident & other funds                                                                        | 380.73                    | 360.45                    |
| Staff Welfare Expenses                                                                                         | 165.54                    | 126.67                    |
| <b>Total</b>                                                                                                   | <b>6,258.92</b>           | <b>5,395.66</b>           |
| a. For Related party transaction Refer Note No.41                                                              |                           |                           |
| <b>33 Finance Cost</b>                                                                                         |                           |                           |
| Interest Expense                                                                                               |                           |                           |
| - Banks                                                                                                        | 23.31                     | 18.81                     |
| - MSMED                                                                                                        | 2.24                      | 1.06                      |
| - Others                                                                                                       | 4.53                      | 12.11                     |
| Bank Guarantee fees & charges                                                                                  | 38.83                     | 10.21                     |
| <b>Total</b>                                                                                                   | <b>68.91</b>              | <b>42.19</b>              |
| <b>34 Depreciation and Amortisation expenses</b>                                                               |                           |                           |
| Depreciation and Amortisation Expenses                                                                         | 447.86                    | 455.45                    |
| <b>Total</b>                                                                                                   | <b>447.86</b>             | <b>455.45</b>             |

### 35 Other Expenses

#### Manufacturing Expenses

|                                           | 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|-------------------------------------------|---------------------------|---------------------------|
| Freight Inwards                           | 31.71                     | 16.70                     |
| Consumable stores                         | 388.26                    | 338.26                    |
| Power, Fuel & Water Charges               | 106.75                    | 92.70                     |
| Research and Development                  | 95.62                     | 92.47                     |
| Lab Expenses                              | 12.52                     | 4.03                      |
| Repairs and Renewals to Plant & Machinery | 45.04                     | 45.13                     |
| Godown Rent                               | 27.95                     | 25.71                     |
| Labour Charges                            | 1,000.35                  | 792.78                    |
| Security Expenses                         | 81.52                     | 83.90                     |
| Factory Maintenance                       | 39.07                     | 48.79                     |
| Technical Service Charges                 | 201.84                    | 102.89                    |

A

#### Administrative Expenses

|                                           |        |        |
|-------------------------------------------|--------|--------|
| Director's Sitting Fees                   | 16.44  | 11.63  |
| Rates & Taxes                             | 43.42  | 50.96  |
| Electricity charges                       | 54.33  | 30.06  |
| Printing and stationary                   | 24.47  | 18.57  |
| Telephone & Postage Expenses              | 55.08  | 48.07  |
| Insurance                                 | 61.88  | 62.30  |
| Motor car expenses                        | 84.61  | 70.57  |
| Auditors Remuneration (See note a)        | 36.93  | 36.72  |
| Legal, Professional & consultancy fees    | 462.97 | 474.15 |
| Repairs & Maintenance Buildings           | 3.78   | 6.64   |
| Repairs & Maintenance Others              | 193.73 | 143.64 |
| Miscellaneous expenses                    | 110.26 | 89.27  |
| Donation                                  | 0.23   | 2.43   |
| Corporate Social responsibility           | 35.33  | 33.85  |
| Sales Tax & Other Taxes                   | 15.09  | 11.90  |
| Loss on Sale of Fixed Asset               | 1.91   | 5.06   |
| Provision for Doubtful Debts              | 153.49 | 328.90 |
| Input GST Disallowed                      | 11.72  | 17.04  |
| Foreign Exchange Fluctuation Loss/ (Gain) | 106.39 | 42.23  |
| Debit Balance Written Off                 | 3.16   | 0.08   |
| Bad Debts Written Off                     | 5.75   | 370.21 |
| Computer Expense                          | 41.83  | 26.59  |

B

#### Selling and Distribution Expenses

|                                  |          |          |
|----------------------------------|----------|----------|
| Carriage outwards                | 1,306.81 | 1,067.26 |
| Rent                             | 78.05    | 70.71    |
| Commission on sales              | 480.70   | 337.05   |
| Travelling Expenses              | 472.49   | 358.57   |
| Conveyance expenses              | 211.16   | 153.69   |
| Royalty Expenses                 | 38.25    | 30.83    |
| Advertising & Publicity Expenses | 9.31     | 8.42     |
| Warehousing Charges              | 20.55    | 18.71    |
| Packing Expenses                 | 10.45    | 8.01     |
| Sales Promotion Expenses         | 381.31   | 318.98   |
| Business Support Services        | -        | 2.97     |

C

Total(A+B+C)

|  |          |          |
|--|----------|----------|
|  | 3,009.10 | 2,375.24 |
|  | 6,562.55 | 5,899.48 |

**a. Auditor's Remuneration consists of:**

|                            |
|----------------------------|
| Statutory Audit Fees       |
| Tax Audit Fees             |
| Taxation and Other Matters |

**Total**

| 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|---------------------------|---------------------------|
| 30.23                     | 27.91                     |
| 3.43                      | 5.37                      |
| 3.27                      | 3.44                      |
| <b>36.93</b>              | <b>36.72</b>              |

**b. Lease**

The Company normally acquires offices, warehouses and vehicles under non-cancellable operational leases. Minimum lease payments outstanding at year end in respect of these assets are as under:

|                                                             |
|-------------------------------------------------------------|
| Due within one year                                         |
| Due later than one year and not later than five years       |
| Due later than five years                                   |
| Lease payments recognised in the Statement of Profit & Loss |

| Total Minimum Lease Payment Outstanding as on 31/03/2022<br>(₹ In lakhs) | Total Minimum Lease Payment Outstanding as on 31/03/2021<br>(₹ In lakhs) |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 70.67                                                                    | 44.11                                                                    |
| -                                                                        | -                                                                        |
| -                                                                        | -                                                                        |
| <b>159.41</b>                                                            | <b>156.90</b>                                                            |
| 2021-2022<br>(₹ In lakhs)                                                | 2020-2021<br>(₹ In lakhs)                                                |

**36 EARNINGS PER SHARE**

|                                                                        |
|------------------------------------------------------------------------|
| Net Profit available to Equity Shareholders (₹ In Lakhs)               |
| Total number of Equity Shares (Face value of ₹ 5/- each fully paid up) |
| Weighted No. of Equity Shares                                          |
| Basic Earnings per Share (in Rupees)                                   |
| Diluted No. of Equity Shares                                           |
| Diluted Earnings per Share (in Rupees)                                 |

|                    |             |
|--------------------|-------------|
| <b>1,392.08</b>    | 2,034.43    |
| <b>1,34,48,288</b> | 1,34,48,288 |
| <b>1,34,48,288</b> | 1,34,48,288 |
| <b>10.35</b>       | 15.13       |
| <b>1,34,48,288</b> | 1,34,48,288 |
| <b>10.35</b>       | 15.13       |

**37 Segment Reporting**

The Company is engaged in the manufacture of Specialty Chemicals, which in the context of IND AS 108- Operating segment specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the company.

**38 Financial instruments – Fair values and risk management**
**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**(₹ In lakhs)**

|                                                           | As at 31 March 2022                |                                               |                  |                  |                 |          |          |                 |
|-----------------------------------------------------------|------------------------------------|-----------------------------------------------|------------------|------------------|-----------------|----------|----------|-----------------|
|                                                           | Carrying amount                    |                                               |                  |                  | Fair value      |          |          |                 |
|                                                           | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost   | Total            | Level 1         | Level 2  | Level 3  | Total           |
| <b>Financial assets</b>                                   |                                    |                                               |                  |                  |                 |          |          |                 |
| Cash and cash equivalents (Including other bank balances) |                                    |                                               | 1,944.02         | 1,944.02         |                 |          |          | -               |
| Investments                                               |                                    |                                               |                  |                  |                 |          |          |                 |
| - Mutual Funds                                            | 7,181.73                           |                                               |                  | 7,181.73         | 7,181.73        |          |          | 7,181.73        |
| - Equity Shares (Quoted)                                  | 357.21                             |                                               |                  | 357.21           | 357.21          |          |          | 357.21          |
| - Equity Shares (Unquoted)                                |                                    |                                               | 4.57             | 4.57             |                 |          |          | -               |
| - Preference shares and bonds                             |                                    |                                               | -                | -                |                 |          |          | -               |
| Trade and other receivables                               |                                    |                                               | 8,962.98         | 8,962.98         |                 |          |          | -               |
| Loans                                                     |                                    |                                               | 22.93            | 22.93            |                 |          |          | -               |
| Other financial assets                                    |                                    |                                               | 675.88           | 675.88           |                 |          |          | -               |
| <b>TOTAL</b>                                              | <b>7,538.94</b>                    | <b>-</b>                                      | <b>11,610.38</b> | <b>19,149.31</b> | <b>7,538.94</b> | <b>-</b> | <b>-</b> | <b>7,538.94</b> |

|                                                                           | As at 31 March 2022                |                                               |                 |                 |            |         |         |       |
|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------------|-----------------|-----------------|------------|---------|---------|-------|
|                                                                           | Carrying amount                    |                                               |                 |                 | Fair value |         |         |       |
|                                                                           | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost  | Total           | Level 1    | Level 2 | Level 3 | Total |
| <b>Financial liabilities</b>                                              |                                    |                                               |                 |                 |            |         |         |       |
| Long term borrowings (Including current maturity of Long term borrowings) |                                    |                                               | 70.61           | 70.61           |            |         |         |       |
| Short term borrowings                                                     |                                    |                                               | 80.02           | 80.02           |            |         |         | -     |
| Trade and other payables                                                  |                                    |                                               | 3,909.60        | 3,909.60        |            |         |         | -     |
| Other financial liabilities                                               |                                    |                                               | 877.07          | 877.07          |            |         |         | -     |
| <b>TOTAL</b>                                                              | -                                  | -                                             | <b>4,937.29</b> | <b>4,937.29</b> | -          | -       | -       | -     |

|                                                                           | As at 31 March 2021                |                                               |                  |                  |                 |         |         |                 |
|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------------|------------------|------------------|-----------------|---------|---------|-----------------|
|                                                                           | Carrying amount                    |                                               |                  |                  | Fair value      |         |         |                 |
|                                                                           | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost   | Total            | Level 1         | Level 2 | Level 3 | Total           |
| <b>Financial assets</b>                                                   |                                    |                                               |                  |                  |                 |         |         |                 |
| Cash and cash equivalents (Including other bank balances)                 |                                    |                                               | 2,540.57         | 2,540.57         |                 |         |         | -               |
| Investments                                                               |                                    |                                               |                  |                  |                 |         |         |                 |
| - Mutual Funds                                                            | 5,961.25                           |                                               |                  | 5,961.25         | 5,961.25        |         |         | 5,961.25        |
| - Equity Shares (Quoted)                                                  | 754.61                             |                                               |                  | 754.61           | 754.61          |         |         | 754.61          |
| - Equity Shares (Unquoted)                                                |                                    |                                               | 110.08           | 110.08           |                 |         |         | -               |
| - Preference shares and bonds                                             |                                    |                                               | 457.26           | 457.26           |                 |         |         | -               |
| Trade and other receivables                                               |                                    |                                               | 8,353.24         | 8,353.24         |                 |         |         | -               |
| Loans                                                                     |                                    |                                               | 35.19            | 35.19            |                 |         |         | -               |
| Other financial assets                                                    |                                    |                                               | 550.76           | 550.76           |                 |         |         | -               |
| <b>TOTAL</b>                                                              | <b>6,715.86</b>                    | -                                             | <b>12,047.10</b> | <b>18,762.96</b> | <b>6,715.86</b> | -       | -       | <b>6,715.86</b> |
| <b>Financial liabilities</b>                                              |                                    |                                               |                  |                  |                 |         |         |                 |
| Long term borrowings (Including current maturity of Long term borrowings) |                                    |                                               | 64.09            | 64.09            |                 |         |         |                 |
| Short term borrowings                                                     |                                    |                                               | 123.97           | 123.97           |                 |         |         | -               |
| Trade and other payables                                                  |                                    |                                               | 4,322.03         | 4,322.03         |                 |         |         | -               |
| Other financial liabilities                                               |                                    |                                               | 899.71           | 899.71           |                 |         |         | -               |
| <b>TOTAL</b>                                                              | -                                  | -                                             | <b>5,409.80</b>  | <b>5,409.80</b>  | -               | -       | -       | -               |

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

## B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. e.g. unlisted equity securities.

### Transfers between Levels

There are no transfers between the levels

## **C. Financial risk management**

The Company's activities expose it to Credit risk, liquidity risk and market risk.

### **i. Risk management framework**

Risk Management is an integral part of the Company's plans and operations. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### **ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

#### **Trade and other receivables**

Credit risk is the risk of possible default by the counter party resulting in a financial loss.

The Company manages credit risk through various internal policies and procedures set forth for effective control over credit exposure. These are managed by way of setting various credit approvals, evaluation of financial condition before supply terms, setting credit limits, industry trends, ageing analysis and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Based on prior experience and an assessment of the current economic environment, management believes that sufficient provision is made based on expected credit loss model for credit risk wherever credit is extended to customers.

#### **Cash and cash equivalents**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and with high credit ratings assigned by International and domestic credit ratings agencies.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

### **iii. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹ In lakhs)

| Sr No | As at 31 <sup>st</sup> March, 2022 | Notes | Carrying Values | Less than 12 Months | More than 12 Months |
|-------|------------------------------------|-------|-----------------|---------------------|---------------------|
| 1     | Borrowings ( Non Current)          | 20    | 70.61           | -                   | 70.61               |
| 2     | Borrowings                         | 22    | 80.02           | 80.02               | -                   |
| 3     | Trade payables                     | 23    | 3,909.60        | 3,909.60            | -                   |
| 4     | Other Financials Liability         | 24    | 877.07          | 877.07              | -                   |
| 5     | Other Current Liabilities          | 25    | 439.23          | 439.23              | -                   |
|       | <b>TOTAL</b>                       |       | <b>5,376.54</b> | <b>5,305.93</b>     | <b>70.61</b>        |

| Sr No | As at 31 <sup>st</sup> March, 2021 | Notes | Carrying Values | Less than 12 Months | More than 12 Months |
|-------|------------------------------------|-------|-----------------|---------------------|---------------------|
| 1     | Borrowings ( Non Current)          | 20    | 64.09           | -                   | 64.09               |
| 2     | Borrowings                         | 22    | 123.97          | 123.97              | -                   |
| 3     | Trade payables                     | 23    | 4,322.03        | 4,322.03            | -                   |
| 4     | Other Financials Liability         | 24    | 899.71          | 899.71              | -                   |
| 5     | Other Current Liabilities          | 25    | 422.00          | 422.00              | -                   |
|       | <b>TOTAL</b>                       |       | <b>5,831.81</b> | <b>5,767.72</b>     | <b>64.09</b>        |

#### iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates ). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

##### a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, and other expenses are denominated and the functional currency of the Company. The functional currency of the Company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

##### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

- a The Company has entered into forward contracts to hedge the foreign currency risks arising from amounts designated in foreign currency. The counter party to such forward contract is a bank. Forward contracts outstanding at the year end are:

| Currency | Exposure to buy/sell | As at 31/03/2022 |                 | As at 31/03/2021 |                 |
|----------|----------------------|------------------|-----------------|------------------|-----------------|
|          |                      | Foreign Currency | Indian Currency | Foreign Currency | Indian Currency |
| USD      | Buy                  | -                | -               | -                | -               |

- b Foreign Currency Exposures at the year end not hedged by derivative instruments:

|            |      | As at 31/03/2022 |                 | As at 31/03/2021 |                 |
|------------|------|------------------|-----------------|------------------|-----------------|
|            |      | Foreign Currency | Indian Currency | Foreign Currency | Indian Currency |
| US Dollars | Buy  | 0.90             | 64.72           | 0.37             | 26.89           |
| Euro       | Buy  | 0.00             | 0.34            | 0.03             | 2.24            |
| US Dollars | Sell | 0.26             | 19.92           | 0.34             | 25.04           |



**b) 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. Investment committee manages and constantly reviews the interest rate movements in the market. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company. The Company's exposures to interest rate risk is not significant.

**39 Employee Benefit obligations**
**(A) Defined Benefit Plan**

The Company's obligation towards the Gratuity Fund is a Defined Benefit Plan. Based on the actuarial valuation obtained in this respect, details of Acturial Valuation are as follows:

(₹ In lakhs)

|                                                  |   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------------------------|---|------------------------|------------------------|
|                                                  |   | Funded Plan            |                        |
| <b>(i) Change in Defined Benefit Obligation</b>  |   |                        |                        |
| Opening defined benefit obligation               |   | 733.62                 | 683.30                 |
| Amount recognised in profit and loss             |   |                        |                        |
| Current service cost                             |   | 90.73                  | 75.28                  |
| Interest cost                                    |   | 49.32                  | 45.87                  |
| Amount recognised in other comprehensive income  |   |                        |                        |
| Actuarial loss / (gain) arising from:            |   |                        |                        |
| Return on Plan Assets                            |   | -                      | -                      |
| Financial assumptions                            |   | 2.65                   | (2.62)                 |
| Experience adjustment                            |   | (12.91)                | (8.92)                 |
| Other                                            |   | -                      | -                      |
| Benefits paid                                    |   | (81.48)                | (59.30)                |
| <b>Closing defined benefit obligation</b>        |   | <b>781.94</b>          | <b>733.62</b>          |
| <b>(ii) Change in Fair Value of Assets</b>       |   |                        |                        |
| Opening fair value of plan assets                |   | 666.78                 | 626.50                 |
| Amount recognised in profit and loss             |   |                        |                        |
| Interest income                                  |   | 44.83                  | 41.92                  |
| Amount recognised in other comprehensive income  |   |                        |                        |
| Actuarial gain / (loss)                          |   |                        |                        |
| Return on Plan Assets, Excluding Interest Income |   | (0.75)                 | (2.27)                 |
| Amount not recognised due to Asset limit (P.Y)   |   | -                      | -                      |
| Other                                            |   | -                      | -                      |
| Contributions by employer                        |   | 85.18                  | 59.92                  |
| Benefits paid                                    |   | (81.48)                | (59.30)                |
| <b>Closing fair value of plan assets</b>         |   | <b>714.56</b>          | <b>666.78</b>          |
| <b>Actual return on Plan Assets</b>              |   | <b>44.08</b>           | <b>39.65</b>           |
| <b>(iii) Plan assets comprise the following</b>  |   |                        |                        |
| Insurance fund (100%)                            |   | Unquoted<br>714.56     | Unquoted<br>666.78     |
| <b>(iv) Principal actuarial assumptions used</b> |   |                        |                        |
| Discount rate                                    | % | 6.80                   | 6.71                   |
| Withdrawal Rate                                  |   | 1.00                   | 1.00                   |
| Future Salary Increase                           |   | 5.00                   | 5.00                   |

|     |                                                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----|---------------------------------------------------|------------------------|------------------------|
|     |                                                   | Funded Plan            |                        |
| (v) | <b>Amount recognised in the Balance Sheet</b>     |                        |                        |
|     | Present value of obligations as at year end       | 781.94                 | 733.62                 |
|     | Fair value of plan assets as at year end          | 714.56                 | 666.78                 |
|     | Net (asset) / liability recognised as at year end | 67.37                  | 66.84                  |
|     | <b>Recognised under :</b>                         |                        |                        |
|     | Short term provisions                             | 78.89                  | 3.25                   |
|     | Long term provisions                              | 51.80                  | 126.65                 |
|     | Other Non Current Assets                          | (52.78)                | (2.77)                 |
|     | Other Current Assets                              | (10.54)                | (60.28)                |
|     |                                                   | 67.37                  | 66.84                  |

#### (vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

|                                               | As at 31 <sup>st</sup> March, 2022 |          | As at 31 <sup>st</sup> March, 2021 |          |
|-----------------------------------------------|------------------------------------|----------|------------------------------------|----------|
|                                               | Increase                           | Decrease | Increase                           | Decrease |
| Discount rate (1% movement) - Gratuity        | (163.32)                           | 197.82   | (73.46)                            | 78.66    |
| Future salary growth (1% movement) - Gratuity | 198.16                             | (165.00) | 82.35                              | (71.28)  |

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

#### (vii) Expected future cash flows

| The expected maturity analysis is as follows : | For year ended<br>31.3.2022 | For year ended<br>31.3.2021 |
|------------------------------------------------|-----------------------------|-----------------------------|
| Expected benefits for year 1                   | 63.95                       | 196.35                      |
| Expected benefits for year 2                   | 39.44                       | 112.27                      |
| Expected benefits for year 3                   | 41.33                       | 114.12                      |
| Expected benefits for year 4                   | 22.63                       | 155.21                      |
| Expected benefits for year 5                   | 55.65                       | 216.15                      |
| Expected benefits for year 6 and above         | 426.46                      | 2069.46                     |

### 40 Financial information pursuant to Schedule III of Companies Act 2013

| Sr. No. | Name of the entity                        | Net Assets (Total assets minus total liabilities) |                     | Share in Profit or loss             |                     | Share in Other comprehensive income |                     | Share in total comprehensive income |                     |
|---------|-------------------------------------------|---------------------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
|         |                                           | 31 <sup>st</sup> March 2022                       |                     | 31 <sup>st</sup> March 2022         |                     | 31 <sup>st</sup> March 2022         |                     | 31 <sup>st</sup> March 2022         |                     |
|         |                                           | As % of consolidated net assets                   | Amount (₹ In Lakhs) | As % of consolidated profit or loss | Amount (₹ In Lakhs) | As % of consolidated profit or loss | Amount (₹ In Lakhs) | As % of consolidated profit or loss | Amount (₹ In Lakhs) |
|         | <b>Parent</b>                             |                                                   |                     |                                     |                     |                                     |                     |                                     |                     |
|         | Chembond Chemicals Ltd.                   | 80.61%                                            | 24,501.28           | 62.81%                              | 874.38              | 30.77%                              | 3.61                | 62.54%                              | 877.99              |
|         | <b>Indian Subsidiaries</b>                |                                                   |                     |                                     |                     |                                     |                     |                                     |                     |
| 1       | Chembond Water Technologies Limited       | 22.76%                                            | 6,918.21            | 59.94%                              | 834.33              | 101.65%                             | (11.94)             | 58.58%                              | 822.39              |
| 2       | Chembond Material Technologies Pvt. Ltd.  | 0.62%                                             | 189.96              | 8.22%                               | 114.40              | 82.21%                              | 9.66                | 8.84%                               | 124.05              |
| 3       | Chembond Clean Water Technologies Limited | 3.48%                                             | 1,058.02            | 7.99%                               | 111.19              | 27.20%                              | 3.20                | 8.15%                               | 114.39              |
| 4       | Chembond Biosciences Limited              | -0.33%                                            | (100.97)            | -7.93%                              | (110.44)            | 46.19%                              | 5.43                | -7.48%                              | (105.02)            |
| 5       | Chembond Polymers and Materials Limited   | 1.66%                                             | 505.29              | 1.46%                               | 20.31               | -4.28%                              | (0.50)              | 1.41%                               | 19.81               |

| Sr. No. | Name of the entity                                   | Net Assets(Total assets minus total liabilities) |                     | Share in Profit or loss             |                     | Share in Other comprehensive income |                     | Share in total comprehensive income |                     |
|---------|------------------------------------------------------|--------------------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
|         |                                                      | 31 <sup>st</sup> March 2022                      |                     | 31 <sup>st</sup> March 2022         |                     | 31 <sup>st</sup> March 2022         |                     | 31 <sup>st</sup> March 2022         |                     |
|         |                                                      | As % of consolidated net assets                  | Amount (₹ In Lakhs) | As % of consolidated profit or loss | Amount (₹ In Lakhs) | As % of consolidated profit or loss | Amount (₹ In Lakhs) | As % of consolidated profit or loss | Amount (₹ In Lakhs) |
| 6       | Chembond Calvatis Industrial Hygiene Systems Limited | 0.55%                                            | 166.98              | 1.04%                               | 14.46               | -3.46%                              | (0.41)              | 1.00%                               | 14.05               |
| 7       | Chembond Water Technologies (Malaysia) Sdn. Bhd.     | 0.24%                                            | 72.45               | 0.30%                               | 4.19                | 0.00%                               | -                   | 0.30%                               | 4.19                |
| 8       | Chembond Water Technologies (Thailand) Co. Ltd.      | 0.28%                                            | 85.91               | -0.41%                              | (5.69)              | 0.00%                               | -                   | -0.41%                              | (5.69)              |
| 9       | Phiroze Sethna Private Limited                       | 2.63%                                            | 799.13              | -22.86%                             | (318.29)            | 19.93%                              | 2.34                | -22.51%                             | (315.95)            |
| 10      | Chembond Distribution Limited                        | 1.94%                                            | 589.68              | 12.38%                              | 172.36              | -1.72%                              | (0.20)              | 12.26%                              | 172.16              |
| 11      | Gramos Chemical India Private Limited                | 3.20%                                            | 972.22              | -6.70%                              | (93.25)             | 3.25%                               | 0.38                | -6.62%                              | (92.87)             |
|         | Non Controlling interest in all subsidiaries         | -0.43%                                           | (131.68)            | -0.47%                              | (6.51)              | 1.56%                               | 0.18                | -0.45%                              | (6.32)              |
|         | <b>Consolidation adjustments/Eliminations</b>        | -17.21%                                          | (5,231.42)          | -15.76%                             | (219.38)            | 0.00%                               | -                   | -15.63%                             | (219.38)            |
|         | <b>Total</b>                                         | <b>100.00%</b>                                   | <b>30,395.05</b>    | <b>100.00%</b>                      | <b>1,392.06</b>     | <b>100.00%</b>                      | <b>11.75</b>        | <b>100.00%</b>                      | <b>1,403.81</b>     |

#### 41 Related party disclosures as required under Ind AS 24 on “Related Party Disclosures”

a) Name of related party and discription of relationship:

**i. Joint Venture:**

Calvatis Gmbh

**ii. Key Management Personnel and their relatives (KMP)**

**Key Management Personnel:**

Sameer V. Shah, Nirmal V. Shah, Ashwin R. Nagarwadia, Bhadresh D. Shah, Mahendra K.Ghelani, Sushil U.Lakhani, Dr.Prakash Trivedi, Saraswati Sankar.

**Relatives :**

Padma V. Shah, Dr. Shilpa S. Shah, Mamta N. Shah, Alpana S. Shah, Jyoti N. Mehta, Amrita S.Shah, Malika S.Shah, Gauri N. Mehta, Karishma N. Mehta

**Entities over which Key Management personnel are able to exercise influence :**

CCL OptoElectronics Pvt Ltd., Finor Piplaj Chemicals Ltd., S and N Ventures Pvt Ltd., Visan Holdings Pvt Ltd, Visan Trust, Protochem Products Pvt Ltd. and Oriano Clean Energy Pvt Ltd.

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

(₹ In lakhs)

| For the year ended/as on                  | 31.03.2022    |                                         |                 | 31.03.2021    |                                         |                 |
|-------------------------------------------|---------------|-----------------------------------------|-----------------|---------------|-----------------------------------------|-----------------|
| Description of the nature of transactions | Joint Venture | KMP & Entities where KMP are interested | Total           | Joint Venture | KMP & Entities where KMP are interested | Total           |
| <b>Sales of Goods</b>                     | -             | <b>103.88</b>                           | <b>103.88</b>   | -             | <b>135.32</b>                           | <b>135.32</b>   |
| Chembond Chemicals Ltd.                   | -             | 13.33                                   | 13.33           | -             | 2.59                                    | 2.59            |
| Chembond Material Technologies Pvt Ltd    | -             | 0.37                                    | 0.37            | -             | 0.66                                    | 0.66            |
| Phiroze Sethna Private Limited            | -             | -                                       | -               | -             | -                                       | -               |
| Chembond Polymers and Materials Ltd       | -             | 7.95                                    | 7.95            | -             | -                                       | -               |
| Chembond Water Technologies Ltd           | -             | 65.35                                   | 65.35           | -             | 32.64                                   | 32.64           |
| Chembond Distribution Ltd                 | -             | 9.42                                    | 9.42            | -             | 87.62                                   | 87.62           |
| Chembond Clean Water Technologies Ltd     | -             | 7.45                                    | 7.45            | -             | 11.81                                   | 11.81           |
| <b>Purchase of Goods</b>                  | -             | <b>1,796.63</b>                         | <b>1,796.63</b> | -             | <b>1,339.63</b>                         | <b>1,339.63</b> |

| For the year ended/as on                  | 31.03.2022    |                                         |               | 31.03.2021    |                                         |               |
|-------------------------------------------|---------------|-----------------------------------------|---------------|---------------|-----------------------------------------|---------------|
| Description of the nature of transactions | Joint Venture | KMP & Entities where KMP are interested | Total         | Joint Venture | KMP & Entities where KMP are interested | Total         |
| Chembond Chemicals Ltd.                   | -             | 142.50                                  | 142.50        | -             | 155.27                                  | 155.27        |
| Chembond Material Technologies Pvt Ltd    | -             | 15.18                                   | 15.18         | -             | 5.13                                    | 5.13          |
| Chembond Biosciences Ltd                  | -             | 2.60                                    | 2.60          | -             | -                                       | -             |
| Chembond Polymers and Materials Ltd       | -             | -                                       | -             | -             | 0.02                                    | 0.02          |
| Chembond Water Technologies Ltd           | -             | 1,570.84                                | 1,570.84      | -             | 1,084.83                                | 1,084.83      |
| Chembond Distribution Ltd                 | -             | 65.52                                   | 65.52         | -             | 94.37                                   | 94.37         |
| <b>Sale of Fixed Assets</b>               | -             | -                                       | -             | -             | -                                       | -             |
| Chembond Chemicals Ltd.                   | -             | -                                       | -             | -             | -                                       | -             |
| <b>Rent Income</b>                        | -             | <b>29.06</b>                            | <b>29.06</b>  | -             | <b>12.24</b>                            | <b>12.24</b>  |
| Chembond Chemicals Ltd.                   | -             | 29.06                                   | 29.06         | -             | 12.24                                   | 12.24         |
| <b>Rental Expenses</b>                    | -             | <b>9.00</b>                             | <b>9.00</b>   | -             | <b>16.26</b>                            | <b>16.26</b>  |
| Chembond Chemicals Ltd.                   | -             | 6.00                                    | 6.00          | -             | 13.26                                   | 13.26         |
| Chembond Water Technologies Ltd           | -             | 3.00                                    | 3.00          | -             | 3.00                                    | 3.00          |
| <b>Director Remuneration</b>              | -             | <b>302.93</b>                           | <b>302.93</b> | -             | <b>308.68</b>                           | <b>308.68</b> |
| Chembond Chemicals Ltd.                   | -             | 127.69                                  | 127.69        | -             | 103.42                                  | 103.42        |
| Chembond Material Technologies Pvt Ltd    | -             | -                                       | -             | -             | 1.65                                    | 1.65          |
| Phiroze Sethna Private Limited            | -             | -                                       | -             | -             | 39.41                                   | 39.41         |
| Chembond Biosciences Ltd                  | -             | 35.24                                   | 35.24         | -             | 25.88                                   | 25.88         |
| Chembond Water Technologies Ltd           | -             | 140.00                                  | 140.00        | -             | 138.32                                  | 138.32        |
| <b>Director Sitting Fees</b>              | -             | <b>16.44</b>                            | <b>16.44</b>  | -             | <b>11.61</b>                            | <b>11.61</b>  |
| Chembond Chemicals Ltd.                   | -             | 13.43                                   | 13.43         | -             | 9.38                                    | 9.38          |
| Chembond Material Technologies Pvt Ltd    | -             | 0.90                                    | 0.90          | -             | 0.79                                    | 0.79          |
| Phiroze Sethna Private Limited            | -             | 0.31                                    | 0.31          | -             | 0.02                                    | 0.02          |
| Chembond Polymers and Materials Ltd       | -             | 0.30                                    | 0.30          | -             | 0.26                                    | 0.26          |
| Chembond Water Technologies Ltd           | -             | 0.90                                    | 0.90          | -             | 0.64                                    | 0.64          |
| Chembond Clean Water Technologies Ltd     | -             | 0.60                                    | 0.60          | -             | 0.53                                    | 0.53          |
| <b>Professional &amp; Consulting Fees</b> | -             | <b>131.74</b>                           | <b>131.74</b> | -             | <b>91.72</b>                            | <b>91.72</b>  |
| Chembond Chemicals Ltd.                   | -             | 32.77                                   | 32.77         | -             | 31.21                                   | 31.21         |
| Chembond Material Technologies Pvt Ltd    | -             | 64.80                                   | 64.80         | -             | 59.91                                   | 59.91         |
| Phiroze Sethna Private Limited            | -             | 14.75                                   | 14.75         | -             | -                                       | -             |
| Gramos Chemicals India Private Limited    | -             | 19.42                                   | 19.42         | -             | -                                       | -             |
| Chembond Polymers and Materials Ltd       | -             | -                                       | -             | -             | 0.60                                    | 0.60          |
| <b>Commission</b>                         | -             | <b>3.18</b>                             | <b>3.18</b>   | -             | -                                       | -             |
| Chembond Material Technologies Pvt Ltd    | -             | 3.18                                    | 3.18          | -             | -                                       | -             |
| <b>Royalty</b>                            | -             | <b>38.25</b>                            | <b>38.25</b>  | -             | <b>30.83</b>                            | <b>30.83</b>  |
| Chembond Chemicals Ltd.                   | -             | 10.70                                   | 10.70         | -             | 11.40                                   | 11.40         |
| Chembond Material Technologies Pvt Ltd    | -             | 27.56                                   | 27.56         | -             | 19.44                                   | 19.44         |
| <b>Interest on Loan</b>                   | -             | <b>3.73</b>                             | <b>3.73</b>   | -             | <b>7.79</b>                             | <b>7.79</b>   |
| Chembond Material Technologies Pvt Ltd    | -             | 0.82                                    | 0.82          | -             | 0.88                                    | 0.88          |
| Chembond Water Technologies Ltd           | -             | -                                       | -             | -             | 2.97                                    | 2.97          |
| Chembond Biosciences Ltd                  | -             | 2.91                                    | 2.91          | -             | 3.94                                    | 3.94          |
| <b>Loan Taken</b>                         | -             | <b>25.00</b>                            | <b>25.00</b>  | -             | <b>60.00</b>                            | <b>60.00</b>  |
| Chembond Material Technologies Pvt Ltd    | -             | 25.00                                   | 25.00         | -             | -                                       | -             |

| For the year ended/as on                  | 31.03.2022    |                                         |              | 31.03.2021    |                                         |               |
|-------------------------------------------|---------------|-----------------------------------------|--------------|---------------|-----------------------------------------|---------------|
| Description of the nature of transactions | Joint Venture | KMP & Entities where KMP are interested | Total        | Joint Venture | KMP & Entities where KMP are interested | Total         |
| Chembond Biosciences Ltd                  | -             | -                                       | -            | -             | 60.00                                   | 60.00         |
| <b>Loan Repaid</b>                        | -             | <b>80.00</b>                            | <b>80.00</b> | -             | <b>110.00</b>                           | <b>110.00</b> |
| Chembond Water Technologies Ltd           | -             | -                                       | -            | -             | 95.00                                   | 95.00         |
| Chembond Material Technologies Pvt Ltd    | -             | 35.00                                   | 35.00        | -             | -                                       | -             |
| Chembond Biosciences Ltd                  | -             | 45.00                                   | 45.00        | -             | 15.00                                   | 15.00         |
| <b>Balances at the year end</b>           | -             | -                                       | -            | -             | -                                       | -             |
| <b>Sundry Debtors</b>                     | -             | <b>6.07</b>                             | <b>6.07</b>  | -             | <b>55.72</b>                            | <b>55.72</b>  |
| Chembond Chemicals Ltd.                   | -             | 1.86                                    | 1.86         | -             | 1.75                                    | 1.75          |
| Chembond Material Technologies Pvt Ltd    | -             | 0.06                                    | 0.06         | -             | 22.19                                   | 22.19         |
| Phiroze Sethna Private Limited            | -             | -                                       | -            | -             | -                                       | -             |
| Chembond Polymers and Materials Ltd       | -             | -                                       | -            | -             | 1.42                                    | 1.42          |
| Chembond Water Technologies Ltd           | -             | 3.03                                    | 3.03         | -             | 10.14                                   | 10.14         |
| Chembond Distribution Ltd                 | -             | 1.13                                    | 1.13         | -             | 19.93                                   | 19.93         |
| Chembond Clean Water Technologies Ltd     | -             | -                                       | -            | -             | 0.30                                    | 0.30          |
| <b>Sundry Creditors</b>                   | -             | <b>84.87</b>                            | <b>84.73</b> | -             | <b>388.68</b>                           | <b>388.68</b> |
| Chembond Chemicals Ltd.                   | -             | 44.66                                   | 44.66        | -             | 43.58                                   | 43.58         |
| Chembond Material Technologies Pvt Ltd    | -             | 5.85                                    | 5.85         | -             | 5.50                                    | 5.50          |
| Chembond Biosciences Ltd                  | -             | 0.14                                    | -            | -             | -                                       | -             |
| Chembond Water Technologies Ltd           | -             | 28.69                                   | 28.69        | -             | 282.55                                  | 282.55        |
| Chembond Distribution Ltd                 | -             | 5.54                                    | 5.54         | -             | 56.78                                   | 56.78         |
| Chembond Clean Water Technologies Ltd     | -             | -                                       | -            | -             | 0.26                                    | 0.26          |
| <b>Loans</b>                              | -             | -                                       | -            | -             | <b>55.00</b>                            | <b>55.00</b>  |
| Chembond Material Technologies Pvt Ltd    | -             | -                                       | -            | -             | 10.00                                   | 10.00         |
| Chembond Biosciences Ltd                  | -             | -                                       | -            | -             | 45.00                                   | 45.00         |
| Chembond Water Technologies Ltd           | -             | -                                       | -            | -             | -                                       | -             |

## 42 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31<sup>st</sup> March, 2022, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

## 43 Tax Reconciliation

### (a) The income tax expense consists of the followings:

Particulars

Current Income Tax

Deferred Tax Expense

Short/Excess provision of IT for earlier year

**Tax expense for the year**

| 2021-2022<br>(₹ In lakhs) | 2020-2021<br>(₹ In lakhs) |
|---------------------------|---------------------------|
| 666.12                    | 901.11                    |
| (19.39)                   | (52.41)                   |
| 8.46                      | (36.67)                   |
| <b>655.19</b>             | <b>812.03</b>             |

|                                                                                                                                                                                   | 2021-2022<br>(₹ In lakhs)                | 2020-2021<br>(₹ In lakhs)                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax Rate</b>                                                                                 |                                          |                                          |
| Profit before income tax expense                                                                                                                                                  | 2,053.78                                 | 2,852.92                                 |
| Expected Income Tax expenses                                                                                                                                                      | 608.28                                   | 802.13                                   |
| Part A                                                                                                                                                                            |                                          |                                          |
| Tax effect of amounts which are not deductible (allowable) in calculating taxable income:                                                                                         |                                          |                                          |
| Income exempt from income taxes                                                                                                                                                   | -                                        | (67.21)                                  |
| Additional allowances/deduction                                                                                                                                                   | 15.43                                    | 69.60                                    |
| Transition gain                                                                                                                                                                   | 59.02                                    | 77.04                                    |
| Short/Excess Provision for earlier years                                                                                                                                          | 8.46                                     | (25.07)                                  |
| Others                                                                                                                                                                            | (24.21)                                  | 5.37                                     |
| <b>Current Tax (A)</b>                                                                                                                                                            | <b>666.98</b>                            | <b>861.87</b>                            |
| Part B                                                                                                                                                                            |                                          |                                          |
| Deferred Tax Effect at the rate of:                                                                                                                                               | 29.12%                                   | 29.12%                                   |
| Depreciation                                                                                                                                                                      | 5.04                                     | (2.93)                                   |
| Unabsorbed IT losses and Depreciation                                                                                                                                             | 1.17                                     | -                                        |
| Investments at Fair Value                                                                                                                                                         | 21.41                                    | 6.20                                     |
| Less:                                                                                                                                                                             |                                          |                                          |
| Gratuity                                                                                                                                                                          | 1.16                                     | 1.08                                     |
| MAT Credit                                                                                                                                                                        | 34.74                                    | (27.96)                                  |
| Other Deferred tax Asset                                                                                                                                                          | (1.14)                                   | (6.98)                                   |
| Provision for Doubtful Debts                                                                                                                                                      | 4.65                                     | 86.96                                    |
| Deferred Tax (B)                                                                                                                                                                  | (11.79)                                  | (49.84)                                  |
| <b>Tax Expense (A+B)</b>                                                                                                                                                          | <b>655.19</b>                            | <b>812.03</b>                            |
|                                                                                                                                                                                   | <b>As at 31/03/2022<br/>(₹ In lakhs)</b> | <b>As at 31/03/2021<br/>(₹ In lakhs)</b> |
| <b>44 Contingent Liabilities and Capital Commitments (To the extent not provided for) :</b>                                                                                       |                                          |                                          |
| <b>Particulars</b>                                                                                                                                                                |                                          |                                          |
| <b>A) Contingent Liabilities not provided for :</b>                                                                                                                               |                                          |                                          |
| <b>a) Claims against the company not acknowledged as debts -</b>                                                                                                                  |                                          |                                          |
| i). Income Tax matter under Appeal                                                                                                                                                | 20.08                                    | 24.67                                    |
| ii) Income tax Matter (TDS)                                                                                                                                                       | 0.30                                     | 2.19                                     |
| iii) Income tax demands pending for rectification                                                                                                                                 | 98.35                                    | 6.78                                     |
| iv) Service tax due as per final audit report and show cause notice**                                                                                                             | 265.71                                   | 278.96                                   |
| v) Sales tax matter under appeal                                                                                                                                                  | -                                        | 6.29                                     |
| <b>b) Counter Guarantees given by Company for Bank Guarantees issued -</b>                                                                                                        |                                          |                                          |
| i) Outstanding L.C & Bank Guarantees issued by Bankers.                                                                                                                           | 1,643.71                                 | 1,629.86                                 |
| ii) Corporate Guarantee given to Bank of India by the Company on behalf of Subsidiaries Chembond Water Technologies Ltd. & Step Subsidiary Chembond Clean Water Technologies Ltd. | 2,050.00                                 | 2,050.00                                 |
| <b>B) Capital Commitments</b>                                                                                                                                                     |                                          |                                          |
| Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)                                                                 | 10.06                                    | 29.25                                    |

\*\* As per the SCN issued for service tax matters, there may be additional liability of interest and penalty, quantum of which is not ascertained.



**NOTE : 45**
**ADDITIONAL REGULATORY INFORMATION**

|                                                                            | 2021-2022    | 2020-21      |
|----------------------------------------------------------------------------|--------------|--------------|
| <b>(a) Current Ratio</b>                                                   |              |              |
| Current Assets(A)                                                          | 19,358.05    | 18,303.61    |
| Current Liabilities(B)                                                     | 5,399.11     | 5,776.30     |
| <b>Current Ratio( A/B)</b>                                                 | <b>3.59</b>  | <b>3.17</b>  |
| <b>(b) Debt-Equity Ratio</b>                                               |              |              |
| Total Borrowings(A)- Current + Non-current borrowings                      | 150.63       | 188.06       |
| Total Shareholders' Equity(B) - Total Equity                               | 30,526.73    | 29,444.49    |
| <b>Debt-Equity Ratio( A/B)</b>                                             | <b>0.00</b>  | <b>0.01</b>  |
| <b>(c) Debt Service Coverage Ratio</b>                                     |              |              |
| EBITDA(A) - PBT+Finance Costs + Depreciation                               | 2,570.55     | 3,350.56     |
| Interest on Loan+Loan repayment in a year(B)                               | 60.74        | 167.50       |
| <b>Debt Service Coverage Ratio( A/B)</b>                                   | <b>42.32</b> | <b>20.00</b> |
| <b>(d) Return on Equity Ratio</b>                                          |              |              |
| Net Profit(A)                                                              | 1,398.59     | 2,040.89     |
| Average Shareholders Equity(B)                                             | 29,985.61    | 28,418.66    |
| <b>Return on Equity Ratio( A/B)</b>                                        | <b>4.66%</b> | <b>7.18%</b> |
| <b>(e) Inventory turnover ratio</b>                                        |              |              |
| Raw materials, components,finished goods and work in progress consumed (A) | 20,367.16    | 14,331.98    |
| Average Inventory(B)                                                       | 3,162.98     | 2,832.96     |
| <b>Inventory turnover Ratio( A/B)</b>                                      | <b>6.44</b>  | <b>5.06</b>  |
| <b>(f) Trade receivables turnover ratio</b>                                |              |              |
| Net sales(A)                                                               | 34,941.63    | 27,444.58    |
| Average Accounts receivable(B)                                             | 8,658.11     | 8,296.92     |
| <b>Trade receivable turnover Ratio( A/B)</b>                               | <b>4.04</b>  | <b>3.31</b>  |
| <b>(g) Trade Payables turnover ratio</b>                                   |              |              |
| Net Purchases(A)                                                           | 20,367.16    | 14,331.98    |
| Average trade payable(B)                                                   | 4,115.56     | 3,868.55     |
| <b>Trade Payables turnover Ratio( A/B)</b>                                 | <b>4.95</b>  | <b>3.70</b>  |
| <b>(h) Net Capital turnover ratio</b>                                      |              |              |
| Net sales(A)                                                               | 34,941.63    | 27,444.58    |
| Net Working Capital(B) - Current assets less current liabilities           | 13,958.94    | 12,527.31    |
| <b>Net Capital turnover Ratio( A/B)</b>                                    | <b>2.50</b>  | <b>2.19</b>  |
| <b>(i) Net Profit ratio</b>                                                |              |              |
| Net Profit(A)                                                              | 1,398.59     | 2,040.89     |
| Net Sales(B)                                                               | 34,941.63    | 27,444.58    |
| <b>Net Profit Ratio( A/B)</b>                                              | <b>4%</b>    | <b>7%</b>    |

**(j) Return on Capital employed**

EBIT(A) - PBT+Finance Costs

Shareholders Equity+Long term liabilities(B) - Total Equity + Borrowings+ Tax Provision + Gratuity Provision

**Return on Capital employed( A/B)**

| 2021-2022 | 2020-21   |
|-----------|-----------|
| 2,122.69  | 2,895.11  |
| 30,704.71 | 29,635.22 |
| 0.07      | 0.10      |

**(k) Return on Investment**

Net Profit(A)

Net assets(B) - Fixed assets + Current assets less current liabilities

**Return on Investment( A/B)**

|           |           |
|-----------|-----------|
| 1,398.59  | 2,040.89  |
| 26,098.66 | 24,719.44 |
| 5%        | 8%        |

**NOTE : 46**
**Ageing Schedule for Trade receivables**

Ageing for trade receivables outstanding as on 31<sup>st</sup> Mar'22 is as follows :

(₹ In lakhs)

| Particulars                                                                       | Outstanding for following periods from due date of payment |                    |                   |           |           |                   |                 |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
|                                                                                   | Not Due                                                    | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total           |
| i) Undisputed trade receivables - considered good                                 | 6,325.51                                                   | 2,075.75           | 363.30            | (41.13)   | 337.51    | 387.83            | 9,448.77        |
| ii) Undisputed trade receivables - which have significant increase in credit risk |                                                            |                    |                   |           |           |                   | -               |
| iii) undisputed trade receivables - credit impaired                               |                                                            |                    |                   |           |           |                   | -               |
| iv) Disputed trade receivables - considered good                                  |                                                            |                    |                   |           |           |                   | -               |
| v) Disputed trade receivables - which have significant increase in credit risk    |                                                            |                    |                   |           |           |                   | -               |
| vi) Disputed trade receivables - credit impaired                                  |                                                            |                    |                   |           |           |                   | -               |
| Less : Allowance for doubtful trade receivables                                   |                                                            |                    |                   |           |           |                   | (485.78)        |
| <b>Trade receivables</b>                                                          |                                                            |                    |                   |           |           |                   | <b>8,962.99</b> |

Ageing for trade receivables outstanding as on 31<sup>st</sup> Mar'21 is as follows :

(₹ In lakhs)

| Particulars                                                                       | Outstanding for following periods from due date of payment |                    |                   |           |           |                   |          |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|----------|
|                                                                                   | Not Due                                                    | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total    |
| i) Undisputed trade receivables - considered good                                 | 5,767.23                                                   | 2,012.72           | 181.58            | 234.97    | 338.67    | 275.98            | 8,811.15 |
| ii) Undisputed trade receivables - which have significant increase in credit risk |                                                            |                    |                   |           |           |                   | -        |

| Particulars                                                                    | Outstanding for following periods from due date of payment |                    |                   |           |           |                   |                 |
|--------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
|                                                                                | Not Due                                                    | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total           |
| iii) undisputed trade receivables - credit impaired                            |                                                            |                    |                   |           |           |                   | -               |
| iv) Disputed trade receivables - considered good                               |                                                            |                    |                   |           |           |                   | -               |
| v) Disputed trade receivables - which have significant increase in credit risk |                                                            |                    |                   |           |           |                   | -               |
| vi) Disputed trade receivables - credit impaired                               |                                                            |                    |                   |           |           |                   | -               |
| Less : Allowance for doubtful trade receivables                                |                                                            |                    |                   |           |           |                   | (457.91)        |
| <b>Trade receivables</b>                                                       |                                                            |                    |                   |           |           |                   | <b>8,353.24</b> |

**NOTE : 47**
**Ageing Schedule for Trade Payables**

 Ageing for trade Payables outstanding as on 31<sup>st</sup> Mar'22 is as follows :

(₹ In lakhs)

| Particulars                | Outstanding for following periods from due date of payment |                |          |         |                  |                 |
|----------------------------|------------------------------------------------------------|----------------|----------|---------|------------------|-----------------|
|                            | Not Due                                                    | Less than 1 yr | 1 -2 yrs | 2-3 yrs | More than 3 yrs. | Total           |
| I) MSME                    | 645.11                                                     | 189.05         | 0.02     | -       | -                | 834.18          |
| II) Others                 | 2,181.81                                                   | 712.18         | (93.41)  | 3.70    | 50.33            | 2,854.61        |
| III) Disputed dues - MSME  | -                                                          | -              | -        | -       | -                | -               |
| IV) Disputed dues - Others | -                                                          | -              | -        | -       | -                | -               |
| Accrued expenses           |                                                            |                |          |         |                  | 220.80          |
| <b>Net trade payables</b>  |                                                            |                |          |         |                  | <b>3,909.59</b> |

 Ageing for trade Payables outstanding as on 31<sup>st</sup> Mar'21 is as follows :

(₹ In lakhs)

| Particulars                | Outstanding for following periods from due date of payment |                |          |         |                  |                 |
|----------------------------|------------------------------------------------------------|----------------|----------|---------|------------------|-----------------|
|                            | Not Due                                                    | Less than 1 yr | 1 -2 yrs | 2-3 yrs | More than 3 yrs. | Total           |
| I) MSME                    | 561.02                                                     | 103.91         | -        | -       | -                | 664.93          |
| II) Others                 | 2,893.68                                                   | 444.79         | 127.85   | 31.77   | 19.42            | 3,517.52        |
| III) Disputed dues - MSME  | -                                                          | -              | -        | -       | -                | -               |
| IV) Disputed dues - Others | -                                                          | -              | -        | -       | -                | -               |
| Accrued expenses           |                                                            |                |          |         |                  | 139.59          |
| <b>Net trade payables</b>  |                                                            |                |          |         |                  | <b>4,322.04</b> |

**NOTE : 48**
**Ageing Schedule for Capital Work in Progress**

 Ageing for CWIP as on 31<sup>st</sup> Mar'22 is as follows :

(₹ In lakhs)

| Particulars                        | Amount in CWIP for period of |           |           |                   |              |
|------------------------------------|------------------------------|-----------|-----------|-------------------|--------------|
|                                    | Less than 1 year             | 1-2 years | 2-3 years | More than 3 years | Total        |
| i) Projects in progress            | 46.20                        | -         | 9.16      | -                 | 55.36        |
| ii) Projects temporarily suspended | -                            | 7.35      | -         | 7.50              | 14.85        |
| <b>Total</b>                       |                              |           |           |                   | <b>70.21</b> |

Ageing for CWIP as on 31<sup>st</sup> Mar'21 is as follows :

(₹ In lakhs)

| Particulars                        | Amount in CWIP for period of |           |           |                   |              |
|------------------------------------|------------------------------|-----------|-----------|-------------------|--------------|
|                                    | Less than 1 year             | 1-2 years | 2-3 years | More than 3 years | Total        |
| i) Projects in progress            | 12.75                        | 9.15      | -         | -                 | 21.90        |
| ii) Projects temporarily suspended | 7.35                         | -         | 7.50      | -                 | 14.85        |
| <b>Total</b>                       |                              |           |           |                   | <b>36.75</b> |

**NOTE : 49**

**Additional regulatory information not disclosed elsewhere in the financial information**

- A** The Company and its Indian subsidiaries do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- B** The Company and its Indian subsidiaries do not have any transactions with struck off Companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956, except for the parties mentioned below:

| Name of Struck off Company                     | Nature of transactions with struck-off Company | Balance Outstanding as on 31 <sup>st</sup> Mar'22 | Balance Outstanding as on 31 <sup>st</sup> Mar'21 | Relationship with the Struck off company, if any, to be disclosed |
|------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|
| Lanxess India Private Limited                  | Receivables                                    | 0.20                                              | 0.20                                              | Nil                                                               |
| Shree engineers infrastructure Private limited | Receivables                                    | (0.02)                                            | (0.02)                                            | Nil                                                               |

- C** The Group does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period except the following :

| Brief description of the charges or satisfaction                           | Amount (₹ In lakhs) | Location of the Registrar | Period (in days or months) by which such charge had to be registered / satisfied | Remarks                                                                                                                                                                                                          |
|----------------------------------------------------------------------------|---------------------|---------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deed of Hypothecation of stocks (Bank Name :BOI, Charge ID : 90141528)     | 0.50                | Mumbai                    | -                                                                                | The charge is open in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from Bank of India, though there are no outstanding to the bank.                           |
| Hypothecation of tangible property (Bank Name :MSFC, Charge ID : 90141731) | 15.00               | Mumbai                    | -                                                                                | The charge is open in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from Maharashtra State Financial Corporation, though there are no outstanding to the bank. |

- D** The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

- E** The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

- F** The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- G** The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- H** The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- I** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

## **50 FIRE INCIDENT**

A fire broke out at our Tarapur, Maharashtra plant on 21<sup>st</sup> April, 2022. This incident resulted in 1 fatality. The fire has resulted in disruption of operations at the plant owing to damage to some inventory (est. at ₹ 261.18 lakhs) and property, plant and equipment (est. at ₹ 649.02 lakhs). Alternate arrangements for continuity of operations have been made. The Group has insurance policies covering inventory, property, plant and equipment and a claim has been filed. This being an event occurring after the balance sheet date, the impact of loss will be accounted for in FY 2022-23.

- 51** The Group has decided to continue with the existing tax structure except for two subsidiary companies which has provided for current and deferred tax at the rate prescribed under Section 115BAA of the Income Tax Act, 1961
- 52** During the Quarter 4 of current financial year, Chembond Material Technologies Private Limited and Chembond Polymers and Materials Limited have entered into a proposed scheme ('Scheme') of merger and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) to create optimum utilisation of various resources. The combined company will fully own the respective businesses of Chembond Material Technologies Private Limited and Chembond Polymers and Materials Limited. The application has been filed with NCLT on 6<sup>th</sup> May, 2022. The scheme will be accounted for on receipt of regulatory and other approvals which are pending.
- 53** The previous year figures have been regrouped, reallocated or reclassified wherever necessary to conform to current year classification and presentation.

As per our attached report of even date

**On behalf of the Board of Directors**

**For Bathiya & Associates LLP**  
Chartered Accountants  
FRN - 101046W/W100063

**Sameer V. Shah**  
Chairman  
& Managing Director

**Nirmal V. Shah**  
Vice Chairman  
& Managing Director

**Sushil U. Lakhani**  
Director

**Jatin A. Thakkar**  
Partner  
Membership No. : 134767  
Mumbai, 14<sup>th</sup> May 2022

**Rashmi S. Gavli**  
Chief Financial Officer  
Mumbai, 14<sup>th</sup> May 2022

**Suchita Singh**  
Company Secretary

## NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting ("AGM") of the Members of Chembond Chemicals Limited (CIN: L24100MH1975PLC018235) will be held on Friday, 5<sup>th</sup> August, 2022, at 3.30 p.m. 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 statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the reports of the Board of Directors and Auditors thereon; and
- (b) the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the report of the Auditors thereon.

2. To declare final dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2022.

## 3. To appoint a Director in place of Mr. Nirmal V. Shah (DIN: 00083853), who retires by rotation and, being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

## 4. To approve re-appointment of Mr. Sameer V. Shah (DIN: 00105721) as the Chairman and Managing Director

To consider and, if thought fit, to give ASSENT/DISSENT to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V of the Act, and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval(s) from the appropriate authorities, if required, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Sameer V. Shah (DIN: 00105721) as Chairman and Managing Director of the Company for a period of three consecutive years with effect from 1<sup>st</sup> August, 2022 on the terms and conditions as set out in the Explanatory Statement annexed hereto;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed to between the Board and Mr. Sameer V. Shah within and in accordance with and subject to the limits prescribed

in Schedule V of the Act, and if necessary, as may be stipulated by the concerned authorities and as may be agreed to between the Board and Mr. Sameer V. Shah;

**RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated where in any financial year, during the currency of the tenure of service of Mr. Sameer V. Shah as the Chairman and Managing Director, the Company has no profits or its profits are inadequate, he shall be paid the remuneration stated in the Explanatory Statement annexed hereto as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down in Section 197 and Schedule V of the Act, subject to such approvals, as may be required;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the aforesaid resolution."

## 5. To approve re-appointment of Mr. Nirmal V. Shah (DIN: 00083853) as the Vice Chairman and Managing Director

To consider and, if thought fit, to give ASSENT/DISSENT to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule V of the Act, and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval(s) from the appropriate authorities, if required, consent of the members be and is hereby accorded for the re-appointment of Mr. Nirmal V. Shah (DIN: 00083853) as Vice Chairman and Managing Director of the Company for a period of three consecutive years with effect from 1<sup>st</sup> August, 2022 on the terms and conditions as set out in the Explanatory Statement annexed hereto;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed to between the Board and Mr. Nirmal V. Shah within and in accordance with and subject to the limits prescribed in Schedule V of the Act, and if necessary, as may be stipulated by the concerned authorities and as may be agreed to between the Board and Mr. Nirmal V. Shah;

**RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated where in any financial year, during the currency of the tenure of service of Mr. Nirmal V. Shah as the Vice Chairman and Managing Director, the



Company has no profits or its profits are inadequate, he shall be paid the remuneration stated in the Explanatory Statement annexed hereto as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down in Section 197 and Schedule V of the Act, subject to such approvals, as may be required;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the aforesaid resolution."

#### 6. To approve remuneration of Cost Auditors

To consider and, if thought fit, to give ASSENT/DISSENT to the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Jitendrakumar and Associates, Cost & Management Accountants, Mumbai, (Firm Registration No. 101561/ Membership No. 30106), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the F.Y. ended 31<sup>st</sup> March, 2023 be paid a remuneration of ₹66,000 (Rupees Sixty Six Thousand only), plus Goods and Services Tax and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors  
of **Chembond Chemicals Limited**

**Suchita Singh**  
Company Secretary

Mumbai  
14<sup>th</sup> May, 2022

#### REGISTERED OFFICE:

Chembond Centre, EL-71,  
Mahape, MIDC,  
Navi Mumbai- 400 710  
Maharashtra, India.  
Tel: +91 22 6264 3000  
Fax: +91 22 2768 1294  
Email: [cs@chembondindia.com](mailto:cs@chembondindia.com)  
Website: [www.chembondindia.com](http://www.chembondindia.com)  
CIN: L24100MH1975PLC018235

#### NOTES:

1. In view of the continuing COVID pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 13<sup>th</sup> January, 2021 and 5<sup>th</sup> May, 2022 ("MCA Circulars") and Securities and Exchange Board of India (SEBI), vide its circulars dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021 ("SEBI 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 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), MCA Circulars and SEBI Circulars, the 47<sup>th</sup> AGM is being held through VC / OAVM only. Hence Members can attend the AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The Company has made arrangements through National Securities Depository Limited ("NSDL"), to provide VC/OAVM facility for the AGM and for conducting of the e-AGM. The Members can join the e-AGM 15 minutes before the scheduled time of the AGM following the procedure mentioned in the Notice.

2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 and 5 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed to this Report.
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 through VC/OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies shall not be available for AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Institutional / Corporate shareholders intending to depute their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting are requested to send a certified copy of its Board Resolution / authorisation letter, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation should be sent to [cs@chembondindia.com](mailto:cs@chembondindia.com) mail to: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or upload on the website of NSDL <http://www.evoting.nsdl.com>.

4. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the AGM and the facility shall be made available to the Members on first-cum-first served basis. The facility to join the AGM will close 15 minutes after the scheduled time or when the capacity is full whichever is earlier by following the procedure mentioned below. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members only on a first-cum-first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-cum-first served basis. In case of joint holders, attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. In accordance with the provisions of Section 152 of the Act, Mr. Nirmal V. Shah (DIN: 00083853) will retire by rotation at the AGM and being eligible, offers himself for re-appointment. Pursuant to Regulations 36(3) of the Listing Regulations, pursuant to Section 118(10) of the Act and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, additional information in respect of Directors retiring by rotation and persons seeking appointment / re-appointment at the AGM is given in the Explanatory Statement attached to this Notice and in the Corporate Governance Section of this Annual Report.
7. Queries on financial statements and/ or operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the AGM.
8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode by the Members from the date of circulation of this Notice upto the date of the 47<sup>th</sup> AGM.
9. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 19<sup>th</sup> July, 2022, to Friday, 29<sup>th</sup> July, 2022, (both days inclusive) in connection with the AGM.
10. The Board of Directors has recommended a Final Dividend of 100 % (i.e. ₹5.00/- per equity share of ₹5.00/- each) for the financial year ended 31<sup>st</sup> March, 2022, subject to approval of the Shareholders at

the ensuing AGM. The Dividend, if approved by the members at the ensuing AGM will be paid to those shareholders whose names stand registered:

- a. As beneficial owners at the end of business hours on Monday, 18<sup>th</sup> July, 2022, being the record date as per the list to be furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") will be paid the Final Dividend for the financial year ended 31<sup>st</sup> March, 2022, as recommended by the Board, if approved at the AGM, on or after Monday, 8<sup>th</sup> August, 2022.
- b. As members in the Register of Members of the Company after giving effect to valid transmission/transposition in physical form lodged with the Company's Registrar and Share Transfer Agent (RTA) TSR Consultants Private Limited ("TCPL"), C-101, 1<sup>st</sup> floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083, on or before the record date. The transmission/transposition requests complete in all respects should reach the RTA well before the above date.

Members holding shares in physical mode are requested to send all the communications pertaining to shares of the Company including intimation of changes pertaining to their bank account details, mandates, nominations, change of address, e-mail id etc with the Company's RTA - TCPL, at their Registered Address or e-mail at [csg-unit@tcplindia.com](mailto:csg-unit@tcplindia.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member.

Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants ("DPs").

In case of any queries / difficulties in registering the e-mail address or any other details, Members may write to [cs@chembondindia.com](mailto:cs@chembondindia.com).

- c. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.
- d. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide

their PAN details to their respective DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

- e. As per the provisions of Section 124 of the Act, dividends not en-cashed/ claimed by the Members of the Company, within a period of 7 (seven) years from the date of declaration of dividend, shall be transferred to the Investor Education and Protection Fund (IEPF) by the Company.

The details of Dividends declared and paid by the Company and the corresponding tentative due dates for transfer of such un-cashed / un-claimed dividend are given in the Corporate Governance Report under the heading 'Unpaid / Unclaimed Dividends'.

Details of shares transferred to the IEPF Authority are available on the website of the Company at <http://www.chembondindia.com/unclaimed-dividend.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in). Members who have not encashed / claimed dividend warrant(s) so far in respect of the above financial years are requested to make their claims to the RTA of the Company well in advance of the above tentative dates.

Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment. However, Members may claim shares as well as unclaimed dividends transferred to IEPF Authority back from them after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html>.

Members are requested to claim any un-cashed dividends and for future opt for electronic clearing service, so that dividends paid by the Company are credited to the Members account on time.

11. In compliance with the MCA Circulars and SEBI Circulars, owing to the difficulties in dispatching of physical copies of the Financial Statements alongwith the Auditors Report and Boards Report and other documents due to the restrictions laid down on account of the ongoing Pandemic, such statements including Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ DPs. The Annual Report is also uploaded on the website of the Company at [www.chembondindia.com](http://www.chembondindia.com). Members may note that the Notice and Annual Report 2021-22 can also be accessed from websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. Rule 18 of the Companies (Management and Administration) Rules, 2014 requires a Company to provide an advance opportunity at least once in a financial year, to the Member to register his e-mail address and changes therein and such request may be made by only those Members who have not got their e-mail id recorded or to update a fresh e-mail id and not from the Members whose e-mail ids are already registered. Members are requested to get their email ids registered with their DP or RTA. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number and type, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to TCPL in case the shares are held by them in physical form quoting your folio no.
13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
14. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
15. Members / investors may contact the Company on the designated e-mail id: [cs@chembondindia.com](mailto:cs@chembondindia.com) for faster action from the Company's end.

16. The final dividend once approved by the shareholders in the ensuing AGM will be paid through Electronic Clearing Service or any other means to those shareholders who have updated their Bank Account details. For shareholders who have not updated their bank account details dividend warrants / demand draft / cheques will be sent to their registered addresses. Shareholders are requested to update their KYC with their depositories (for shares held in Dematerialized form) and with the Company's RTA - TCPL (for shares held in Physical form) to receive the dividend into their account.
17. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to TCPL, Registrar and Share Transfer Agent of the Company or immediately by sending a request on e-mail at [cs@chembondindia.com](mailto:cs@chembondindia.com) or contact TCPL at [csg-unit@tcplindia.com](mailto:csg-unit@tcplindia.com). In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of the postal services, dispatch the dividend warrant to such shareholder by post.
18. The Income Tax Act, 1961 ('the IT Act') as amended by the Finance Act, 2020 mandated that dividend paid or distributed by a Company on or after 1<sup>st</sup> April, 2020 shall be taxable in the hands of the Members and the Company is required to deduct Tax at source ('TDS') from dividend paid to the Members at the prescribed rates at the time of making the final dividend. To enable compliance with TDS requirements, Members are requested to provide documents in accordance with the provisions of the IT Act. Members are also requested to complete and / or update Residential Status, PAN, category as per the IT act, with the Company / Registrar by sending documents through e-mail at [cs@chembondindia.com](mailto:cs@chembondindia.com) by Friday, 8<sup>th</sup> July, 2022.
- The rate of Tax Deducted at Source ('TDS') will vary depending on the residential status of the Shareholder and documents registered with the Company.

#### 1. IN CASE OF A RESIDENT SHAREHOLDER:

| TDS rate                                                                       | Category of shareholder and required documentation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 per cent*                                                                   | Resident shareholder whose valid Permanent Account Number ('PAN') is available on records of the Company.<br><br>Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – TSR Consultants Private Limited ('TCPL')(in case of shares held in physical mode).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 20 per cent                                                                    | Resident shareholder whose PAN is not registered / valid PAN is not registered against the folio no./ DP-ID Client ID in records of the Company/ Depositories.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Lower/Nil rate as specified in certificate issued under Section 197 of the Act | Resident shareholder who has obtained a certificate from the income-tax authorities under Section 197 of the Act for TDS at a lower / Nil rate. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for FY 2022-23.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Nil                                                                            | <b>Individual shareholders:</b> <ul style="list-style-type: none"> <li>- If the total dividend to be received from the Company during FY 2022-23 does not exceed ₹5,000; or</li> <li>- If duly verified Form 15G or 15H (as may be applicable) is furnished along with self-attested copy of PAN, if not registered against the folio no./Dp id - client Id.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                | <b>Other shareholders:</b> <ul style="list-style-type: none"> <li>- <u>Mutual Funds</u>: Subject to a self-declaration that they are specified in Section 10(23D) of the IT Act along with self-attested copy of PAN card and registration certificate.</li> <li>- <u>Insurance companies</u>: Subject to a self-declaration that it has full beneficial interest with respect to shares owned along with self-attested copy of PAN card.</li> <li>- <u>Alternative Investment Fund ('AIF') established/incorporated in India</u>: Subject to a self-declaration that its income is exempt under Section 10 (23FBA) of the IT Act and they are governed by SEBI Regulations as Category I or Category II AIF, alongwith self-attested copy of the PAN card and registration certificate issued by SEBI.</li> <li>- <u>Corporation established by or under a Central Act whose income is exempt from income-tax</u>: Subject to a self-declaration of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.</li> <li>- Government</li> <li>- The Reserve Bank of India</li> </ul> |

#### Note:

1. Recording of the PAN for the registered Folio/DP id-Client Id is mandatory. In absence of PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the IT Act.



2. \*The Finance Bill, 2021 has brought in a new Section 206AB since 1<sup>st</sup> July, 2021 under the IT Act which provides for the higher rate of TDS where the Assessee is liable to deduct TDS under the IT Act for the dividend paid to 'specified persons'.

'Specified Person' as defined under Section 206AB of the IT Act means a person:

- Who has not filed income tax return for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted/collected. The previous year to be counted is required to be the one whose return filing date under sub-section (1) of Section 139 of the IT Act has expired.
- The aggregate of TDS and TCS in whose case is ₹50,000/- or more in that previous year.

Non-resident shareholders who do not have a permanent establishment in India are excluded from the scope of a 'Specified Person'.

TDS on dividend falls within the purview of proposed Section 206AB. Therefore, we request you to please give a written declaration along with copies of ITR acknowledgements of previous two assessment year for our records. If the said declaration along with ITR acknowledgements are not received before **Friday, 8<sup>th</sup> July, 2022**, then TDS will be deducted at higher of the following rates:

- twice the rate specified in the relevant provision of the Act; or
- twice the rate in force; or
- the rate of 5%

Further, Confirmation w.r.t the linking of Aadhar with PAN in compliance with Section 139AA of the IT Act is to be provided (**Applicable only for individual shareholders**).

## 2. IN CASE OF A NON-RESIDENT SHAREHOLDER:

| TDS rate                                                                    | Category of shareholder and required documentation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 per cent (plus applicable surcharge and cess)                            | All non-resident shareholders, including Foreign Portfolio Investors ('FPIs')                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Lower /Nil rate as specified in certificate under Section 197/195           | Non-resident shareholder who has obtained a certificate from the income-tax authorities under Section 197/195 of the IT Act for lower / Nil rate of TDS, tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should valid for FY 2022-23.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Lower rate prescribed under the tax treaty which applies to the shareholder | <p>Non-resident shareholder can opt to be governed by the provisions of the tax treaty between India and the country of tax residence of the shareholder. Subject to the non-resident shareholder providing the below-mentioned documents, the Company will deduct tax at the rate prescribed in the tax treaty, wherever applicable:</p> <ul style="list-style-type: none"> <li>- Self-attested copy of the PAN card allotted by the Indian Income Tax authorities</li> <li>- Self-attested copy of Tax Residency Certificate (TRC) applicable for the FY 2022-23 obtained from the tax authorities of the country of which the shareholder is resident</li> <li>- Self-declaration in Form 10F</li> <li>- Self-declaration for no permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead]</li> </ul> <p>In case of Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the IT Act. However, if above mentioned documents are provided, then rates as per respective tax treaty shall be applied.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the tax treaty rates at the time of tax deduction/ withholding on dividend amounts. Application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon completeness of the documentation and review of the same by the Company.</p> |

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and submitted by Non-Resident shareholder. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Friday, 8<sup>th</sup> July, 2022.

Kindly note that the aforementioned documents are required to be submitted at [cs@chembondindia.com](mailto:cs@chembondindia.com) on or before Friday, 8<sup>th</sup> July, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post the given date. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

We shall arrange to e-mail the soft copy of TDS certificate to you at your registered e-mail id in due course. Also the TDS so deducted shall be reflected in Form 26AS against respective PAN, post payment of the said Dividend.

19. The Company vide its separate e-mail communication dated 1<sup>st</sup> July, 2022 had informed the Members regarding the change in the IT Act as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate. The detailed process is also available on the website of the Company at [www.chembondindia.com](http://www.chembondindia.com).

20. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 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. Members can contact the Company or the Company's RTA in this regard.

21. The Securities and Exchange Board of India (SEBI) vide its notification dated 20<sup>th</sup> April, 2018, has mandated the submission of PAN and /or Bank Account details for updation of the same against their folio number. Members holding shares in electronic form are, therefore, requested to submit the PAN / Bank account details to their DPs with whom they are maintaining their demat accounts. The Company has sent reminder, through its RTA, to the Members whose details are incomplete. Members are requested to complete their KYC at the earliest.

22. 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. The said form can be downloaded from the Company's website <https://www.chembondindia.com/pdf/unclaimed-dividend/Nomination%20Form%20SH%2013&%2014%20for%20Shareholders.pdf>. If a Member who desires to cancel the earlier nomination and record a fresh nomination, may submit the same in Form No. SH-14. Members holding shares in physical form are requested to obtain the nomination forms from the Company's RTA. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to TCPL in case the shares are held in physical form, quoting your folio no.

23. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the original share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

24. 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 Monday, 18<sup>th</sup> July, 2022 through e-mail on [cs@chembondindia.com](mailto:cs@chembondindia.com).

The same will be replied by the Company suitably.

25. The instruction for remote e-voting, attending the AGM through VC/OAVM and e-voting during the AGM are given as follows:

#### PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING):

- a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations (as amended), and the Circulars issued by MCA your Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, your Company has entered into an agreement with National Securities Depository (India) Limited ("NSDL") as the authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by members using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
- b. Members whose names are 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. Friday, 29<sup>th</sup> July, 2022, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- c. A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, 29<sup>th</sup> July, 2022, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- d. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date.
- e. The remote voting period begins on Tuesday, 2<sup>nd</sup> August, 2022 at 9.00 a.m. and ends on Thursday, 4<sup>th</sup> August, 2022 at 5.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of Friday, 29<sup>th</sup> July, 2022 may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.



- f. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**g. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

**How do I vote electronically using NSDL e-voting system?**

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-voting system**

order to access e-voting facility.

**A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the Individual demat account holders, by way of single login credential, through their demat account maintained / website of Depositories / DP in order to increase the efficiency of the voting process. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in

| Type of shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or <b>e-voting service provider i.e. NSDL</b> and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or <b>e-voting service provider i.e. NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> |

NSDL Mobile App is available on



|                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of <b>e-voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; E-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-voting is in progress.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type                                                         | Helpdesk details                                                                                                                                                                                                                        |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at <b>toll free no.: 1800 1020 990 and 1800 22 44 30</b>               |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or <b>contact at 022- 23058738 or 022- 23058542-43</b> |

**B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

#### How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

**Alternatively**, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:                                                                                                                                          |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.                                                    |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- If your e-mail id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your e-mail id is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at

[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of **Chembond Chemicals Limited** to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on **toll free no.: 1800 1020 990 and 1800 22 44 30** or send a request to Mr. Sanjeev Yadav, Assistant Manager-NSDL at [sanjeevy@nsdl.co.in](mailto:sanjeevy@nsdl.co.in)

### Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to [cs@chembondindia.com](mailto:cs@chembondindia.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@chembondindia.com](mailto:cs@chembondindia.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
- Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat

mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail id correctly in their demat account in order to access e-voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. 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 to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- 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.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at [cs@chembondindia.com](mailto:cs@chembondindia.com). The same will be replied by the Company suitably.

## **6. Registration of Speaker –**

- a. Shareholders who would like to speak during the meeting must register their request at least 3 days in advance i.e. on or before Monday, 1<sup>st</sup> August, 2022, mentioning their name, demat account number/folio number, e-mail id, mobile number at [cs@chembondindia.com](mailto:cs@chembondindia.com).
- b. Shareholders will get confirmation on first-cum-first served basis depending upon the provision made by the client.
- c. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- d. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
- e. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- f. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- g. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- h. The Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting, mentioning their name, demat account number/folio number, e-mail id, mobile number at [cs@chembondindia.com](mailto:cs@chembondindia.com). These queries will be replied to by the Company suitably by e-mail.
- i. Members are encouraged to join the Meeting through laptops / tablets for better experience.
- j. Further, Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

## **OTHER INFORMATION:**

- i. Attending the e-AGM: Members will be able to attend the AGM through VC/OAVM. 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. Further, Members can also use the OTP based login for logging into the e-voting system.

- ii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- iii. Submission of Questions / queries prior to e-AGM: Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's email-id [cs@chembondindia.com](mailto:cs@chembondindia.com) at least 5 days before the date of the 47<sup>th</sup> AGM, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of Cut-off date.
- iv. Members who need technical assistance before or during the AGM, can contact NSDL. Corporate Members intending to send their authorized representatives to attend the AGM through VC / OAVM pursuant to the provisions of Section 113 of the Act are requested to send a certified copy of the relevant Board Resolution to the Company.
- v. The Company has appointed Mr. Virendra Bhatt, (Membership No. ACS-1157, CP no. 124) and in his absence Ms. Indumati Zaveri (Membership No.2209, CP no.7245), as the Scrutinizer to scrutinize the remote e-voting as well as the e-voting at the time of AGM in a fair and transparent manner.
- vi. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the AGM to the Chairman or the Company Secretary or a person authorised by the Chairman. The Chairman or the Company Secretary or any other person authorised by him shall declare the result of the voting forthwith.
- vii. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at [www.chembondindia.com](http://www.chembondindia.com) Service Provider's website and the communication will be sent to the BSE and NSE.



**STATEMENT ANNEXED TO THE NOTICE AND SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETINGS.**

**ITEM NO. 4 & 5**

The Members of the Company had accorded their approval for re-appointment of Mr. Sameer V. Shah and Mr. Nirmal V. Shah as the Chairman and Managing Director and Vice Chairman and Managing Director of the Company, respectively, for a period of 3 years with effect from 1<sup>st</sup> August, 2019 till 31<sup>st</sup> July, 2022 and the remuneration payable to them, by passing a Special Resolution at its 44<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> August 2019. The tenure of Mr. Sameer V. Shah and Mr. Nirmal V. Shah as the

Chairman and Managing Director and Vice Chairman and Managing Director is expiring on 31<sup>st</sup> July, 2022. The Board of Directors, on the basis of recommendation of Nomination and Remuneration Committee, after careful consideration and deliberation on their qualifications, experience, expertise and responsibilities shouldered by them and volume of Company's business and profits and the practice prevailing in the Industry, thought it prudent and in the best interest of the Company that Mr. Sameer V. Shah and Mr. Nirmal V. Shah be re-appointed as Chairman and Managing Director and Vice Chairman and Managing Director of the Company respectively for the tenure of 3 (three) years with effect from 1<sup>st</sup> August, 2022 till 31<sup>st</sup> July, 2025, on the terms and conditions and remuneration as detailed hereinbelow, subject to approval of its Members by a Special Resolution.

The salient features of the terms and conditions of appointment of Mr. Sameer V. Shah and Mr. Nirmal V. Shah are as follows:

| Sr. no. | Particulars                 | Mr. Sameer V. Shah                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Mr. Nirmal V. Shah |
|---------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1.      | Term of Appointment:        | With effect from 1 <sup>st</sup> August, 2022 to 31 <sup>st</sup> July, 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |
| 2.      | Remuneration:               | Salary Basic + DA upto a maximum of ₹4,50,000/- per month (Annual ₹54,00,000/-) (individually) with increments as may be decided by the Board of Directors from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |
| 3.      | Perquisites and allowances: | <p>In addition to the salary, Mr. Sameer V. Shah and Mr. Nirmal V. Shah shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure, if any, and such other perquisites and allowances in accordance with the rules of the Company upto a maximum of ₹8,00,000/- per month (Rupees Eight Lakh only) (Annual ₹96,00,000/-) (individually). The nature and break-up of the perquisites and allowances will be determined in accordance with the schemes/policies/rules of the Company or may be decided by the Chairman of the Company or Board of Directors from time to time.</p> <p>The Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, 1961, Gratuity payable as per the rules of the Company, use of Company's Car for official duties and telephone at residence (including payment for local calls and long distance calls) shall not be included in the computation of limits for the remuneration as per Schedule V of the Companies Act, 2013 ("the Act").</p> |                    |
| 4.      | Incentive/Performance Bonus | In addition to the salary, perquisites and allowances payable, an incentive / performance bonus, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Act (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable which shall not exceed ₹50,00,000/- (Rupees Fifty Lakhs only) (individually) for each financial year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |
| 5.      | Medical Expenses            | Expenditure incurred by the Chairman and Managing Director and Vice Chairman and Managing Director for themselves and their family.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |
| 6.      | Annual Increment            | The Board will decide the annual increment based on merit which shall be within the limits approved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |
| 7.      | Leave                       | As per Company Rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |



|     |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                     |
|-----|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 8.  | Overall Remuneration                     | The aggregate of salary, perquisites, allowances and commission in any one financial year, as may be decided by the Board of Directors, i.e. total remuneration may exceed 10% of the net profits of the Company (individually) as calculated under Section 198 of the Act, however the remuneration payable by the Company shall be within the prescribed limits of total managerial remuneration payable to all Managing Director / Whole-Time Director / Manager in aggregate under Section 197 read with Schedule V of the Act or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard). The total managerial remuneration payable by the Company, to the Directors, including Managing Director and Whole-Time Director and Manager in respect of any financial year may exceed 11% of the net profits of the Company as calculated under Section 198 of the Act, subject to necessary approvals as prescribed under Section 197 and Schedule V of the Act and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard. |                                                                                                                                     |
| 9.  | Minimum Remuneration                     | In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Managing Director(s), the appointee shall be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down under Section 197 and Schedule V of the Act, subject to approval of any statutory authority, if required. However, in any event it shall not exceed the remuneration payable as provided in the Agreement when the profits of the Company are adequate."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                     |
| 10. | Other Terms and Conditions: Sitting fees | No sitting fees will be paid to Mr. Sameer V. Shah and Mr. Nirmal V. Shah for attending the meetings of the Board of Directors or Committee thereof.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                     |
|     | Retirement by Rotation                   | Mr. Sameer V. Shah shall not be liable to retire by rotation whilst he continues to hold office of Chairman and Managing Director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mr. Nirmal V. Shah shall be liable to retire by rotation whilst he continues to hold office of Vice Chairman and Managing Director. |
|     | Reimbursement of Expenses                | Mr. Sameer V. Shah and Mr. Nirmal V. Shah shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                     |
|     | Termination Clause                       | The Agreement may be terminated by either party by giving three months' notice from either side or as may be mutually agreed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                     |
|     |                                          | The terms and conditions of the said re-appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deemed fit, within the limits prescribed in Schedule V of the Act or any subsequent amendments or modifications made thereto.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                     |

The information as required under Part II Section II (A)(iv) of Schedule V of the Act is given below:

| I.      | General Information                                                                                                                                 |                                                                                                                         |  |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|
| Sr. no. | Particulars                                                                                                                                         | Information                                                                                                             |  |
| 1.      | Nature of Industry                                                                                                                                  | The Company is in the business of Speciality Chemicals.                                                                 |  |
| 2.      | Date or expected date of commencement of commercial production.                                                                                     | The Company is an existing Company and carrying out business for more than 40 years since 22 <sup>nd</sup> March, 1975. |  |
| 3.      | In case of a new company, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | Not Applicable                                                                                                          |  |

|                                     |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                                                                                                                                                                                                                                                                                                                  |           |
|-------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 4.                                  | Financial Performance (Standalone) based on given indicators | (₹ in lakhs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                                                                                                                                                                  |           |
|                                     |                                                              | Share Capital:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 31-03-20  | 31-03-21                                                                                                                                                                                                                                                                                                         | 31-03-22  |
|                                     |                                                              | Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 672.41    | 672.41                                                                                                                                                                                                                                                                                                           | 672.41    |
|                                     |                                                              | Reserves & Surplus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 22,291.87 | 23,257.87                                                                                                                                                                                                                                                                                                        | 23,828.85 |
|                                     |                                                              | Total Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6,510.10  | 5,394.89                                                                                                                                                                                                                                                                                                         | 5,574.44  |
|                                     |                                                              | Profit Before Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 530.81    | 1,264.90                                                                                                                                                                                                                                                                                                         | 1,092.78  |
|                                     |                                                              | Profit After Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 554.16    | 967.32                                                                                                                                                                                                                                                                                                           | 874.37    |
| 5.                                  | Foreign Investments or Collaborations, if any.               | Chembond Calvatis Industrial Hygiene Systems Limited in collaboration with Calvatis GmbH, Germany.                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                                                                                                                                                                  |           |
| II Information about the appointees |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                                                                                                                                                                                                                                                                                                                  |           |
| 1.                                  | Background details                                           | Mr. Sameer V. Shah                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           | Mr. Nirmal V. Shah                                                                                                                                                                                                                                                                                               |           |
|                                     | Brief Profile                                                | Mr. Sameer V. Shah is the Chairman and Managing Director of the Company, a position he has held since 1 <sup>st</sup> August, 2006. Mr. Sameer V. Shah joined Chembond in 1992 after receiving his education in chemical engineering and finance from the University of Texas State University and working over 6 years in America. Mr. Sameer V. Shah hails from promoter family of Chembond Chemicals Limited (“the Company”) and has held various managerial positions in the Company and its joint ventures & subsidiaries. |           | Mr. Nirmal V. Shah is the Vice-chairman and Managing Director of the Company, a position he has held since 1 <sup>st</sup> August, 2006. Mr. Nirmal V. Shah hails from promoter family of Chembond Chemicals Limited and has held various managerial positions in the Company its joint ventures & subsidiaries. |           |
| 2.                                  | Past Remuneration                                            | Details of remuneration paid to Mr. Sameer V. Shah and Mr. Nirmal V. Shah during their tenure from 1 <sup>st</sup> August, 2019 till 31 <sup>st</sup> July, 2022 is as detailed hereinbelow:                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                                                                                                                                                                  |           |
|                                     |                                                              | (₹ in lakhs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                                                                                                                                                                  |           |
|                                     |                                                              | Mr. Sameer V. Shah                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                                                                                                                                                                  |           |
|                                     |                                                              | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2019-20   | 2020-21                                                                                                                                                                                                                                                                                                          | 2021-22   |
|                                     |                                                              | Basic Salary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 20.68     | 30.75                                                                                                                                                                                                                                                                                                            | 36.00     |
|                                     |                                                              | Perquisites                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 13.02     | 32.50                                                                                                                                                                                                                                                                                                            | 39.49     |
|                                     |                                                              | Bonus/ Incentive Pay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 9.13      | 6.15                                                                                                                                                                                                                                                                                                             | 7.20      |
|                                     |                                                              | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 46.35     | 69.40                                                                                                                                                                                                                                                                                                            | 82.69     |
|                                     |                                                              | Mr. Nirmal V. Shah                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                                                                                                                                                                  |           |
|                                     |                                                              | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2019-20   | 2020-21                                                                                                                                                                                                                                                                                                          | 2021-22   |
|                                     |                                                              | Basic Salary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 19.20     | 18.39                                                                                                                                                                                                                                                                                                            | 21.00     |
|                                     |                                                              | Perquisites                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 15.12     | 16.23                                                                                                                                                                                                                                                                                                            | 19.80     |
|                                     |                                                              | Bonus/ Incentive Pay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3.84      | 3.67                                                                                                                                                                                                                                                                                                             | 4.20      |
|                                     |                                                              | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 38.16     | 38.30                                                                                                                                                                                                                                                                                                            | 45.00     |
| 3.                                  | Recognition or Awards                                        | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                                                                                                                                                                                                                                                                                                                  |           |

|      |                                                                                                                                                        |                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                       |          |          |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| 4.   | Job Profile and Suitability                                                                                                                            | Mr. Sameer V. Shah                                                                                                                                                                                                                                                                                          | Mr. Nirmal V. Shah                                                                                                                                                                                                                    |          |          |
|      |                                                                                                                                                        | Mr. Sameer V. Shah has held various managerial positions in the Company and having rich business experience and exposure to managing diverse businesses.                                                                                                                                                    | Mr. Nirmal V. Shah has over 25 years of experience and exposure to managing diverse businesses. He has been in charge of the water treatment chemicals division for the past 18 years. His expertise is in organisational management. |          |          |
| 5.   | Comparative Remuneration Profile with respect to industry, size of Company, profile and position of the person.                                        | Considering the experience and knowledge of Mr. Sameer V. Shah and Mr. Nirmal V. Shah, both are entitled to a higher remuneration in the similar nature of industry than recommended by the Board at present.                                                                                               |                                                                                                                                                                                                                                       |          |          |
| 6.   | Pecuniary relationship directly or indirectly with the Company or relation with Managerial Personnel, if any.                                          | Mr. Sameer V. Shah and Mr. Nirmal V. Shah are promoters of the Company and directly hold 16,45,493 & 17,53,887 equity shares of the Company respectively. Both are related to each other. Except proposed remuneration as stated above, they do not have any other pecuniary relationship with the Company. |                                                                                                                                                                                                                                       |          |          |
| III. | Other Information                                                                                                                                      |                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                       |          |          |
| 1.   | Reasons of loss or inadequate profit                                                                                                                   | Due to expansion of business, the Company has aggressively invested in quality work-force, which will bring a positive trend over the coming years. The slower growth of Indian as well as the global economy, increase in raw material costs are other factors impacting profits.                          |                                                                                                                                                                                                                                       |          |          |
| 2.   | Steps taken or proposed to be taken for improvement                                                                                                    | The Company has strengthened its sales & marketing departments and more focus is given on Research & Development. Price increases are also being negotiated in a sustainable manner.                                                                                                                        |                                                                                                                                                                                                                                       |          |          |
| 3.   | Expected Increase in productivity and profits in measurement terms                                                                                     | Considering the market conditions prevailing globally and efforts made the management to develop new products and customers, the Company in measurement terms has conservatively set the following targets in terms of sales and profitability.                                                             |                                                                                                                                                                                                                                       |          |          |
|      |                                                                                                                                                        | (₹ In Lakhs)                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                       |          |          |
|      |                                                                                                                                                        | Particulars                                                                                                                                                                                                                                                                                                 | 31-03-23                                                                                                                                                                                                                              | 31-03-24 | 31-03-25 |
|      |                                                                                                                                                        | Gross Receipts                                                                                                                                                                                                                                                                                              | 6,433.86                                                                                                                                                                                                                              | 7,207.56 | 8,260.60 |
|      |                                                                                                                                                        | PBT                                                                                                                                                                                                                                                                                                         | 1,476.94                                                                                                                                                                                                                              | 1,775.02 | 2,197.27 |
|      |                                                                                                                                                        | PAT                                                                                                                                                                                                                                                                                                         | 1,129.47                                                                                                                                                                                                                              | 1,357.43 | 1,680.34 |
| IV.  | Disclosures                                                                                                                                            |                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                       |          |          |
| 1.   | Remuneration package of the appointee                                                                                                                  | Details of total remuneration comprising of Salary, Perquisites and other information which is proposed to be paid to Mr. Sameer V. Shah and Mr. Nirmal V. Shah for the period of their appointment is set out above.                                                                                       |                                                                                                                                                                                                                                       |          |          |
| 2.   | Details of fixed component and performance linked incentive alongwith the performance criteria.                                                        | Disclosure on all elements of remuneration package of all the Directors of the company is given in Corporate Governance Section.                                                                                                                                                                            |                                                                                                                                                                                                                                       |          |          |
| 3.   | Service Contract, Notice Period, Severance Fees                                                                                                        | Service Contract is for a period of 3 years w.e.f. 1 <sup>st</sup> August, 2022 till 31 <sup>st</sup> July, 2025.<br>Notice Period – 3 months notice or as may be mutually agreed.                                                                                                                          |                                                                                                                                                                                                                                       |          |          |
| 4.   | Stock Options details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. | NA                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                       |          |          |

Considering the qualifications, experience, expertise, responsibilities shouldered by Mr. Sameer V. Shah and Mr. Nirmal V. Shah, the rising volume of Company's business and profits earned by it, the proposed re-appointment and terms of remuneration can be considered as reasonable. Your Directors are of the opinion that the re-appointment of Mr. Sameer V. Shah and Mr. Nirmal V. Shah as the Chairman and Managing Director and Vice Chairman and Managing Director, respectively, is in the best interest of the Company.

The above Explanatory Statement shall be construed as an abstract of the terms of the appointment / reappointment / variations, together with a Memorandum of interest or concern of the interested Directors, as prescribed under Section 190 of the Act.

Except, Mr. Sameer V. Shah and Mr. Nirmal V. Shah, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends passing of the special resolutions as set out at Item Nos. 4 & 5 of the accompanying Notice for approval of Members.

#### ITEM NO. 6

The Board of Directors, on the recommendation of the Audit Committee at its meeting held on 14<sup>th</sup> May, 2022, approved the appointment of M/s. Jitendrakumar & Associates, Cost & Management Accountants, (Firm Registration No. 101561/ Membership No. 30106), to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023. The Board at its meeting held on 14<sup>th</sup> May, 2022 has approved their appointment for the FY ended 31<sup>st</sup> March, 2023, at a remuneration of ₹66,000/- (Rupees Sixty Six Thousand only) plus Goods and Services Tax and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Act

read with the Companies (Audit and Auditors) Rules, 2014, consent of the Members is sought by passing an Ordinary Resolution, as set out at Item No. 6 of the Notice, for the remuneration payable to the Cost Auditors for the financial year 2022-23.

In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration approved by the Board is subject to subsequent ratification by members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends passing of the Ordinary Resolution as set out in the Item No. 6 of the accompanying Notice for approval by the Members.

Mumbai  
14<sup>th</sup> May, 2022

By Order of the Board of Directors  
of **Chembond Chemicals Limited**

**Suchita Singh**  
Company Secretary

**REGISTERED OFFICE:**  
Chembond Centre, EL-71,  
Mahape, MIDC,  
Navi Mumbai- 400 710  
Maharashtra India  
Tel: +91 22 6264 3000  
Fax: +91 22 2768 1294  
Email: [cs@chembondindia.com](mailto:cs@chembondindia.com)  
Website: [www.chembondindia.com](http://www.chembondindia.com)  
CIN: L24100MH1975PLC018235

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## Chembond Chemicals Limited



Chembond Centre, EL-71, Mahape MIDC,  
Navi Mumbai - 400710 MH. India.

Tel.: 022 6264 3000 | Email: [info@chembondindia.com](mailto:info@chembondindia.com)

 [www.chembondindia.com](http://www.chembondindia.com)  [www.chembondindia.in](http://www.chembondindia.in)





# Virendra Bhatt

Company Secretary

Office :

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Pinnacle Corporate Park,  
BKC CST Link Rd., MMRDA Area,  
Bandra Kurla Complex,  
Bandra East, Mumbai - 400 051.

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Mobile : +91 - 98200 48670

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## Form No.: MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2022

*[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 and Rule No.: 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**Chembond Water Technologies Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chembond Water Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Chembond Water Technologies Limited's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC') and other relevant records maintained by the Company and also the information provided by the Company, its Officers 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 31<sup>st</sup> March, 2022 ("audit period"), prima facie complied with the statutory provisions listed hereunder and also that the Company has prima facie 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 statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Chembond Water Technologies Limited for the financial year ended on 31<sup>st</sup> March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct



Investment and External Commercial Borrowings - applicable only to the extent of Overseas Direct Investment;

- (iii) I further report that, based on the Compliance Report of various Laws submitted by the Department Heads of the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.
- (iv) I have also examined compliance with the applicable clauses and I am of the opinion that the Company has prima facie complied with the applicable provisions of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the audit period, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

1. I have not examined the Financial Statement, financial Books and related financial Act, Foreign Currency Transactions, Related Party Transactions, including Reconciliation of Bank Statements etc. For these matters, I rely on the report of statutory auditor's and their observations, if any, and notes on accounts in Financial Statement for the year ended 31<sup>st</sup> March, 2022.
2. The Board of Directors of the Company is duly constituted with proper balance of Directors as prescribed under the Act. There were no changes in the composition of the Board of Directors that took place during the audit period.
3. As per the information provided, prima facie 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 except for those Meetings which were held at shorter notice and consent taken.
4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.
5. There are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations and guidelines.
6. During the audit period, the Company had filed Forms required to be filed within prescribed time and one with additional fees.





**I further report that:**

1. Maintenance of Secretarial record 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 basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Report.

**Date: 30<sup>th</sup> April, 2022**  
**Place: Mumbai**

**UDIN: A001157D000244730**

  
**Virendra G. Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157 / COP No.: 124**  
**Peer Review Cert. No.: 1439/2021**



# Virendra Bhatt

Company Secretary

Office :

Office No. 03, A Wing, 9th Floor,

Pinnacle Corporate Park,

BKC CST Link Rd., MMRDA Area,

Bandra Kurla Complex,

Bandra East, Mumbai - 400 051.

Tel. : 022 - 2652 9367 / 68

Mobile : +91 - 98200 48670

E-mail : bhattvirendra1945@yahoo.co.in

**Form No.: MR-3**

## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2022

*[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204(1) of the Companies Act, 2013 and Rule No.: 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**Chembond Material Technologies Private Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chembond Material Technologies Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Chembond Material Technologies Private Limited's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC') and other relevant records maintained by the Company and also the information provided by the Company, its Officers 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 31<sup>st</sup> March, 2022 ("audit period"), prima facie complied with the statutory provisions listed hereunder and also that the Company has prima facie 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 statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Chembond Material Technologies Private Limited for the financial year ended on 31<sup>st</sup> March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;





- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - applicable only to the extent of Overseas Direct Investment;
- (iii) I further report that, based on the Compliance Report of various Laws submitted by the Department Heads of the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.
- (iv) I have also examined compliance with the applicable clauses and I am of the opinion that the Company has prima facie complied with the applicable provisions of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the audit period, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

1. I have not examined the Financial Statement, financial Books and related financial Act, Foreign Currency Transactions, Related Party Transactions, including Reconciliation of Bank Statements etc. For these matters, I rely on the report of statutory auditor's and their observations, if any, and notes on accounts in Financial Statement for the year ended 31<sup>st</sup> March, 2022.
2. The Board of Directors of the Company is duly constituted with proper balance of Directors as prescribed under the Act. There were no changes in the composition of the Board of Directors that took place during the audit period.
3. As per the information provided, prima facie 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 except for those Meetings which were held at shorter notice and consent taken.
4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.
5. There are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations and guidelines.
6. The Company has obtained secured and unsecured loans.



**I further report that:**

1. Maintenance of Secretarial record 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 basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Report.

**Date: 30<sup>th</sup> April, 2022**

**Place: Mumbai**

**UDIN: A001157D000244741**

**Virendra G. Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157 / COP No.: 124**  
**Peer Review Cert. No.: 1439/2021**

